

# Business performance and purchase intentions in cross-border e-commerce

*Insights from retailer and consumer perspectives*

## Author(s)

Goldman, Sjoukje

## Publication date

2023

## Document Version

Final published version

[Link to publication](#)

## Citation for published version (APA):

Goldman, S. (2023). *Business performance and purchase intentions in cross-border e-commerce: Insights from retailer and consumer perspectives*. [Research HvA, graduation external, Vrije Universiteit Amsterdam]. Vrije Universiteit Amsterdam.



## General rights

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

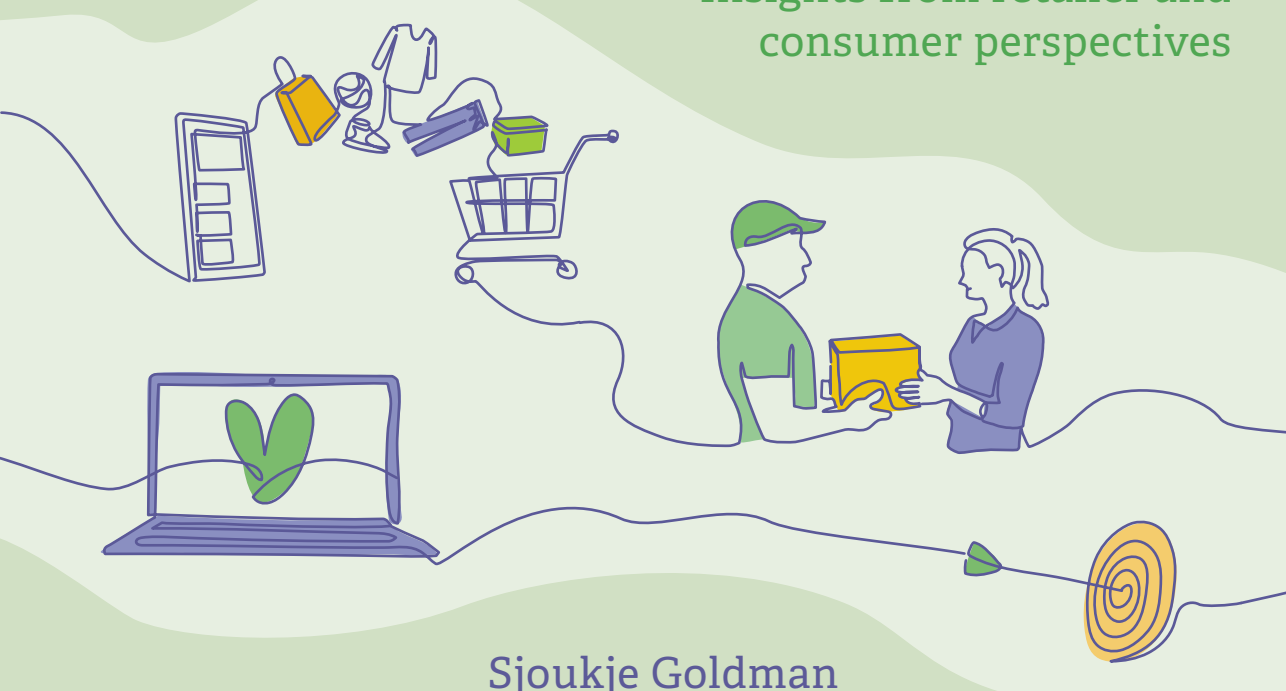
## Disclaimer/Complaints regulations

If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please contact the library: <https://www.amsterdamuas.com/library/contact>, or send a letter to: University Library (Library of the University of Amsterdam and Amsterdam University of Applied Sciences), Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.



# Business performance and purchase intentions in cross-border e-commerce

Insights from retailer and  
consumer perspectives



Sjoukje Goldman



# **Business performance and purchase intentions in cross-border e-commerce**

Insights from retailer and consumer perspectives

Sjoukje Goldman



ISBN: 978-94-6473-106-4

Cover illustration: Jeanne Melchels (jeannedesign.nl)

Layout: Douwe Oppewal (oppewal.nl)

Printed by Ipskamp Printing, Enschede

© Sjoukje Goldman, 2023

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system of any nature, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, including a complete or partial transcription, without the prior written permission of the author.

VRIJE UNIVERSITEIT

**BUSINESS PERFORMANCE AND PURCHASE INTENTIONS  
IN CROSS-BORDER E-COMMERCE**

Insights from retailer and consumer perspectives

ACADEMISCH PROEFSCHRIFT

ter verkrijging van de graad Doctor of Philosophy aan  
de Vrije Universiteit Amsterdam,  
op gezag van de rector magnificus  
prof.dr. J.J.G. Geurts,  
in het openbaar te verdedigen  
ten overstaan van de promotiecommissie  
van de School of Business and Economics  
op donderdag 22 juni 2023 om 13.45 uur  
in een bijeenkomst van de universiteit,  
De Boelelaan 1105

door

Sjoukje Pieta Karianne Goldman

geboren te Dantumadeel

promotor: prof.dr. H. van Herk

copromotoren: dr. T. Verhagen  
dr. J.W.J. Weltevreden

promotiecommissie: prof.dr. R.T. Frambach  
prof.dr. B.V. Tjemkes  
prof.dr.ir. S.L.J.M. de Leeuw  
prof.dr. Y.M. van Everdingen  
prof.dr. E. Breugelmans

# CONTENTS

<b>Chapter I. Introduction</b>	9
1.1 Conceptual background	10
1.2 Aim of this dissertation	13
1.3 Overview of studies	14
1.4 Contributions	16
<b>Chapter II. Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets</b>	17
2.1 Introduction	18
2.2 Theory and hypotheses	20
2.3 Data and methodology	27
2.4 Results	31
2.5 Discussion and conclusion	36
<b>Chapter III. The shifting contribution of consumer store and country perceptions to trust and purchase intentions at American and Chinese e-stores</b>	41
3.1 Introduction	42
3.2 Theoretical background	44
3.3 Methods	52
3.4 Results	53
3.5 Discussion and implications	60
<b>Chapter IV. What attracts consumers to purchase from cross-border Chinese e-stores? Highlighting generational differences</b>	65
4.1 Introduction	66
4.2 Theoretical foundation	68
4.3 Hypotheses development	71
4.4 Methodology	75
4.5 Results	80
4.6 Discussion	81
<b>Chapter V. Discussion and Conclusion</b>	85
5.1 Theoretical implications	85
5.2 Managerial implications	87
5.3 Directions for future research	88
5.4 Managerial implications	89
5.5 Directions for future research	90
<b>References</b>	91
<b>Summary</b>	111
<b>Acknowledgements</b>	113



## TABLES AND FIGURES

### TABLES

<b>Table 1.1</b>	Our research questions by chapter	13
<b>Table 1.2</b>	Overview of the perspective, research questions, unit of analysis and method per chapter	15
<b>Table 2.1</b>	Exemplary papers on strategic orientations and digital marketing tactics	22
<b>Table 2.2</b>	List of measures	29
<b>Table 2.3</b>	Overview of sample characteristics	31
<b>Table 2.4</b>	Means, standard deviations, and convergent and discriminant validities	32
<b>Table 2.5</b>	Results alternative model	35
<b>Table 3.1</b>	Study positioning: with respect to exemplary papers on store values, country stereotypes, and their geographic context	46
<b>Table 3.2</b>	Invariance tests	54
<b>Table 3.3</b>	Measurement scales and reliability statistics	54
<b>Table 3.3</b>	Continued	55
<b>Table 3.4A</b>	Model estimations for inexperienced consumers	57
<b>Table 3.4B</b>	Model estimations for experienced consumers	58
<b>Table 4.1</b>	Exemplary studies on e-store attributes, domain-specific values, and human values, and their geographical context	67
<b>Table 4.2</b>	Average number of orders and the average amount per order across generations	76
<b>Table 4.3</b>	Measurement items	77
<b>Table 4.4</b>	Discriminant validity	78
<b>Table 4.5</b>	Determinants of consumers' purchase intention from Chinese e-stores: e-store attributes, domain-specific values, and human values across four generations	80

## FIGURES

<b>Figure 2.1</b>	Conceptual model of hypotheses	27
<b>Figure 2.2</b>	Structural model (standardised parameters estimates are shown with <i>p</i> values in parentheses)	33
<b>Figure 2.3</b>	Digital marketing tactics used by small firms in foreign markets	36
<b>Figure 3.1</b>	Conceptual model of the hypotheses	48
<b>Figure 3.2</b>	Number of online purchases respondents made at e-stores in the U.S. and China	52
<b>Figure 3.3</b>	Plots visualizing the four groups for the five estimated direct effects	59
<b>Figure 4.1</b>	Conceptual framework: The impact of e-store attributes, domain-specific values, and human values on consumers' purchase intention from Chinese e-stores among the four generations	68
<b>Figure 4.2</b>	Schwartz's (1992) theoretical model of relations among human values	71



# CHAPTER I

## Introduction

Online shopping across national borders (i.e., cross-border electronic commerce [e-commerce]) is flourishing worldwide; technological advances have made it easier for electronic retailers (e-retailers) to internationalize their operations, and consumers to find what they seek online outside their own countries. The global cross-border business-to-consumer (B2C) e-commerce market was valued at \$793.7 million in 2021 and is forecasted to surpass \$3,042.2 million by 2028 at the compound annual growth rate of 25.1% during the period of 2022–2028 (Vantage Market Research, 2022). Statista (2022a) has predicted that this will account for 22% of all shipments of tangible products to consumers by 2022, that is, up by 7% from 2016. In 2018, more than 13% of all e-retailers in Europe were selling their products in multiple countries using the Internet (European Commission, 2020). Cross-border e-commerce is particularly intriguing because it allows both sellers and buyers to regularly cross national borders to distant and distinct countries via the Internet. Understandably, leaving the comfort of familiar domestic markets and venturing across borders is challenging. Therefore, marketers need to understand the challenges retailers and consumers may face to develop effective marketing strategies, attract foreign consumers to retailers' websites, and convert their visits into actual purchases.

To date, scholarly research on cross-border e-commerce is fragmented and limited, from both the e-retailer and consumer perspective. For example, research on firms internationalizing via the Internet is often limited to larger e-retailers, neglecting the internationalization of small firms in e-commerce (Swoboda and Sinning, 2022; Tolstoy et al., 2022). In practice, smaller retailers lag behind larger firms in internationalization via the Internet (European Commission, 2020). Small e-retailers have fewer resources and adopt different marketing approaches relative to their larger counterparts (Bocconcelli et al., 2018; Qi et al., 2020). There is a considerable body of work on the internationalisation of small firms, but these studies focus on establishing and maintaining a physical presence in foreign markets (Eggers et al., 2017; Stoian et al., 2017). Physical internationalization contrasts with electronic retailing (e-retailing) in that the latter requires a solid online presence and different marketing strategies (Chaffey and Ellis-Chadwick, 2019). The rapid development of cross-border e-commerce reinforces calls for further theoretical and empirical analyses on how smaller firms can improve their international business performance with an effective marketing strategy (Bocconcelli et al., 2018).

Furthermore, a few studies in the B2C literature have recently examined the drivers of consumer purchase intentions in cross-border e-commerce (Huang and Chan, 2018; Mou et al., 2019; Zhu et al., 2019). These studies build on the theories and findings of the existing domestic e-commerce literature; however, cross-border e-commerce is different from domestic e-commerce in that the electronic stores (e-stores) are located in different countries and not in the consumer's home country. Considerable research in the international marketing literature has examined the cross-border context of consumer preferences for purchasing (Diamantopoulos et al., 2017; Halkias et al., 2016), but these studies mainly considered the local physical stores as the purchasing context of foreign products. Insights from these earlier, separate studies, however, appear to be relevant to the specific context of cross-border e-commerce; but to date have not been merged.

The current dissertation seeks to address these gaps from the perspective of the e-retailer and consumer. We begin by briefly discussing the conceptual background from both perspectives. We then present the aim of this dissertation and formulate the resulting research questions. Next, with an overview of the studies, we describe the unique perspective of each study considered in the dissertation. Finally, we describe the intended study contributions.

## **1.1 CONCEPTUAL BACKGROUND**

### **1.1.1 E-retailers in cross-border e-commerce**

Some recent studies have shown that small businesses are yet to benefit from the digital transition and lag behind large companies in digital skills (European Commission, 2020). These findings are consistent with earlier studies of small businesses and their use of digital marketing activities (Eggers et al., 2017; Taiminen and Karjaluoto, 2015). In cross-border e-commerce, e-retailers reach out to foreign consumers, attract them to their websites, and then try to convince them to purchase from their foreign e-stores. In this regard, digital marketing is one of the best marketing tools for e-retailers to attract customers (Chaffey and Ellis-Chadwick, 2019). The digital marketing tactics of a firm are driven by its strategy and represent the e-retailer's online value proposition in creating, communicating, and delivering value to customers (Kannan and Li, 2017). However, the relationship between marketing strategy and tactics is more complex in foreign markets as these e-retailers face language barriers, cultural differences, and differences in consumer behaviour (Bartikowski and Singh, 2014; Cyr, 2008; Usunier et al., 2017).

A firm's strategic marketing orientation is an important part of its marketing strategy (Bocconcelli et al., 2018; Frambach and Nijssen, 2017). Small firms adopt generic marketing orientations as part of their strategy and undertake marketing activities related to them (Lam and Harker, 2015). The strategic orientation of small businesses

drives the adoption and implementation of their digital marketing tactics, such as social networks (Eggers et al., 2017). This highlights the importance of research on aligning the strategic orientation of small e-retailers with their use of digital technologies that could positively affect its performance and competitiveness in cross-border e-commerce.

In cross-border e-commerce, e-retailers coming from different markets operate. Previous research indicates that firms from developed and emerging markets have differing levels of operational experience, have engaged in international expansions to varying extents, and have different motivations for expanding beyond their domestic market (Banerjee et al., 2015; Javalgi and Todd, 2011; Yamakawa et al., 2008). Although studies comparing firms from different countries within the small and medium-sized enterprise (SME) literature are limited, some are indicating that the economic market context of the e-retailer's original e-commerce market may affect the link between the e-retailer's strategy and choice of marketing tactics (Korsakiene and Tvaronavičienė, 2012; Laukkanen et al., 2013). This context may cause variations in the performance effects of different strategic orientations across various countries. It is, therefore, necessary to understand how small e-retailers, from developed compared to emerging e-commerce markets, translate strategy into digital marketing tactics and how this determines performance in international markets.

### **1.1.2 Consumers in cross-border e-commerce**

Globally, the United States (U.S.) and China dominate cross-border e-commerce (Ecommerce Europe, 2021; IPC, 2021) through markets that vary considerably in terms of language, culture, and politics (Tenzer et al., 2014; Usunier et al., 2017). Shopping from e-stores in these distinct markets can pose a significant challenge as consumers often conduct these transactions across considerable geographical distances without human contact (Beatty et al., 2011; Valarezo et al., 2018; Zhu et al., 2019). Previous research has demonstrated that when shopping online across borders, purchasing is preceded by consumer trust in the e-retailer (Beatty et al., 2011; Gefen et al., 2003). However, establishing trust across national borders is difficult because geographical distance precipitates distorted communication, incompatible expectations, and less accurate information, and websites appear different regarding information, navigation, and visual design (Bartikowski and Singh, 2014; Cyr, 2008). Moreover, consumers face language barriers and have diverse cultural habits, norms, and values that facilitate or hinder trust building (Ertug et al., 2013; Fang et al., 2014). This raises the question of how consumer trust in foreign e-retailers is established.

Previous research within the e-commerce literature demonstrated that consumers' consideration of e-stores would depend on whether they derive value from consuming the e-stores' goods (Chiu et al., 2014; Liu et al., 2020). Such shopping values may relate to considerations of value for money or enjoyable shopping experience, which may also

apply to foreign e-stores. Additionally, research within the international marketing literature indicates that consumers' consideration may depend on the product's country of origin, as demonstrated by research on buying foreign products in domestic physical stores (Chen et al., 2014; Diamantopoulos et al., 2017). Similarly, in cross-border e-commerce, consumers may use the social categorization that country perceptions can provide to determine the extent to which they are willing to trust the e-retailers of that country. Combining store- and country-related perceptions of consumers in cross-border e-commerce may lead them to trust the foreign e-retailer and make a purchase from its e-store.

Cross-border e-commerce is a relatively new phenomenon (Zhu et al., 2019). The number of consumers shopping online across borders—despite continually increasing—is still considerably below that of domestic e-commerce (Ecommerce Europe, 2021). International e-retailers, thus, face the fact that there are both experienced and inexperienced consumers in cross-border e-commerce; experience in cross-border online shopping can change consumers' behaviour toward foreign providers (Zerbini et al., 2022). In addition, cross-border e-commerce involves consumers buying from online stores from countries that differ greatly in language, culture, economy, and politics, as evidenced by the two largest cross-border e-commerce markets worldwide: the U.S. and China. Previous research has shown that the extent to which perceptions of a country influence foreign product purchase intentions in dominance depends on how familiar consumers are with the country in question (Ma et al., 2022). Hence, to capture the dynamics in the theory and practice of cross-border e-commerce, it is crucial to consider boundary conditions such as previous experience in the country of purchase and the country of purchase itself.

For consumers in developed e-commerce countries, domestic e-stores are widely available. Then what makes consumers purchase products at foreign e-stores? Studies within the e-commerce literature demonstrated that consumers base their e-store choice on store attributes (Chiu et al., 2014; Muthitacharoen et al., 2011). However, these studies considered the context of domestic e-commerce with the e-store located in the consumer's country. Another line of research demonstrated that domain-specific values and human values influence consumers' positive or negative evaluation of foreign products in the physical setting of domestic stores (Siamangka and Balabanis, 2015; Steenkamp and De Jong, 2010). Both research streams include features consistent with purchasing from foreign e-stores. An integrated research approach that combines e-store attributes, domain-specific values, and human values may thus improve our understanding and prediction of consumer purchase intentions in foreign e-stores. However, as previous research has shown, it is important to distinguish between generations in doing so.

Some generations are more comfortable with cross-border e-commerce than others: a global survey (Lindsay, 2021) reveals that Millennials spend the most money on cross-border e-commerce purchases followed by Gen Xers. In several scientific fields, including generational differences is used to better understand variations in consumers' behaviour (Chand and Markova, 2019; Curran and Hill, 2019; Wang et al., 2019). Recently, this is also done in marketing studies (Alkire et al., 2020; Lissitsa and Kol, 2021), indicating that a distinction between generational cohorts may be vital for providing insight into predicting consumers' cross-border e-commerce behaviour.

## 1.2 AIM OF THIS DISSERTATION

This dissertation builds on a gap in research on cross-border e-commerce in the business-to-consumer domain. By critically evaluating determinants from different streams of literature related to the context of cross-border e-commerce, we aim to answer our main research questions: What drives small retailers' business performance and consumers' purchase intentions in cross-border e-commerce? In three studies, we seek to shed light on these determinants from retailer and consumer perspective, which we then connect in a concluding chapter. Furthermore, each study considers that the role and relative effects on the intended outcomes may shift when comparing small e-retailers from different home markets, e-stores from the U.S. and China, inexperienced consumers with experienced ones, or generations. We establish three sub-questions to accomplish our research goals, as presented in Table 1.1.

**Table 1.1** Our research questions by chapter

RQ1	How can small e-retailers shape their marketing strategy to enhance their use of digital marketing tactics in foreign markets and, subsequently, their international business performance? How does this differ for small e-retailers from developed e-commerce markets compared to those from emerging e-commerce markets?	Chapter 2
RQ2	How do consumers' store value and country stereotype perceptions impact their trust in and purchase intentions at foreign e-stores? How does this depend on the country of purchase and the consumer's previous buying experience in that country?	Chapter 3
RQ3	How do e-store attributes, domain-specific values, and human values affect consumers' purchase intentions at foreign e-stores? How does this differ between generations?	Chapter 4



## **1.3 OVERVIEW OF STUDIES<sup>1</sup>**

While all empirical chapters in this dissertation contribute to a better understanding of the drivers of e-retailers and consumers in cross-border e-commerce and how this is affected by differences between countries and markets, each chapter adds certain specific aspects. Note that all chapters of this dissertation are based on individual scientific papers and do not constitute book chapters. The chapters are thus related in theme but unique in perspective (see Table 1.2 for an overview).

### **1.3.1 Study 1**

This study examines how strategic orientations impact the use of digital marketing tactics and the international business performance of small e-retailers in cross-border e-commerce. Furthermore, we compare the relationships between e-retailers in developed and emerging e-commerce markets. Using a sample of 446 small B2C e-retailers from 20 European countries, we find that digital marketing tactics positively impact international business performance. As regards strategic orientations, foreign market orientation is most associated with the use of digital marketing. Note that growth orientation has a positive effect only on e-retailers from developed e-commerce markets, whereas customer orientation has a negative effect on e-retailers from emerging e-commerce markets.

### **1.3.2 Study 2**

Study 2 examines how store value and country stereotype perceptions impact consumers' trust in foreign e-stores. We demonstrate that this impact depends on the following two characteristics: (1) the country of purchase and (2) consumers' previous buying experience in these countries. We estimate our model using an extensive, cross-national survey of about 2,500 European consumers. The results show that consumers with no recent purchase experience at American e-stores rely more on their cognitive perceptions of the American e-store utilitarian shopping values and stereotypical competence. Consumers with no recent purchase experience at Chinese e-stores rely on their affective impressions of Chinese e-stores hedonic shopping value and stereotypical warmth. Following their initial purchase, the differences between American and Chinese e-stores become negligible.

---

1 The research in this dissertation was supported by the Netherlands Research Council (NWO) under grant no. 023.010.049.

**Table 1.2** Overview of the perspective, research questions, unit of analysis and method per chapter

Chapter	Title	Perspective	Research questions	Unit of analysis	Method
2	Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets	E-retailer perspective	How can small e-retailers shape their marketing strategy to enhance their use of digital marketing tactics in foreign markets and, subsequently, their international business performance? How does this differ for small e-retailers from developed e-commerce markets compared to those from emerging e-commerce markets?	Survey of 446 small e-retailers from 20 developed and developing European e-commerce markets.	Multi-group structural equation modelling
3	The shifting contribution of consumer store and country perceptions to trust and purchase intentions at American and Chinese e-stores	Consumer perspective	How do consumers' store value and country stereotype perceptions impact their trust in and purchase intentions at foreign e-stores? How does this depend on the country of purchase and the consumer's previous buying experience in that country?	Survey of 2569 Western European consumers shopping at American and Chinese e-stores.	Multi-group structural equation modelling
4	What attracts consumers to purchase from cross-border Chinese e-stores? Highlighting generational differences	Consumer perspective	How do e-store attributes, domain-specific values, and human values affect consumers' purchase intentions at foreign e-stores? How does this differ between generations?	Survey of 2600 Dutch consumers shopping at Chinese e-stores.	Multi-group structural equation modelling

### **1.3.3 Study 3**

In the third study, we analyse the impact of e-store attributes (product, risk, and service assessments), domain-specific values (ethnocentrism and sustainable consumption behaviour), and human values (resultant conservation and self-enhancement) on the cross-border e-commerce purchase intention of Baby Boomers, Gen Xers, Millennials, and Gen Zers. We survey 2,600 Dutch consumers' purchase intention from Chinese e-stores. Product and service assessments positively affect some generations' purchase intention; risk assessment has a negative impact. Ethnocentrism negatively affects the purchase intention of all except Gen Zers; sustainable consumption behaviour has a positive effect only on Millennials. Schwartz's (1992; 2012) higher order value dimension resultant conservation negatively affects the purchase intention of only Baby Boomers and Gen Xers; the higher order value dimension resultant self-enhancement positively affects purchase intention across all generations.

## **1.4 CONTRIBUTIONS**

This dissertation builds on the growing literature on e-retailers selling and consumers buying from abroad. To the best of our knowledge, the three studies within this dissertation provide the first empirical evidence that combines related insights from different streams of the literature on the phenomenon of cross-border e-commerce. This method allows for a better understanding of the underlying mechanisms of small e-retailers' international business performance and consumers' purchase intentions at foreign e-stores. The findings of this dissertation can also provide practical insights for marketers and policymakers. First, the findings can guide marketers in deciding how to effectively attract foreign consumers to retailer websites. Second, the dissertation can help marketers understand how consumers derive their trust perceptions of foreign e-stores and offer ideas on how to improve the conversion of perceptions to purchasing. Third, public policymakers can develop a deeper understanding of how to support small e-retailers struggling with internationalization via the Internet. Additionally, they can find insights into how small e-retailers in local markets facing increasing foreign competition can be supported.

## CHAPTER II

# Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets<sup>2</sup>

2

### Abstract

In this article, the impact of strategic orientations on the use of digital marketing tactics and, subsequently, on the international business performance of small electronic retailers (e-retailers) in cross-border electronic commerce (e-commerce) is analysed. Furthermore, these relationships are compared between e-retailers originating in both developed and emerging e-commerce markets. Using a sample of 446 small business-to-consumer e-retailers from 20 European countries, we find that the deployment of digital marketing tactics has a positive effect on international business performance. Of the strategic orientations examined, foreign market orientation is most associated with the use of digital marketing tactics. Remarkably, growth orientation only has a positive effect on e-retailers from developed e-commerce markets, while customer orientation negatively affects e-retailers from emerging e-commerce markets. The differences between e-retailers from developed and emerging e-commerce markets are prominent and show that markets should not be considered as either uniform or generalisable.

**Keywords** cross-border electronic commerce, developed vs emerging markets, digital marketing tactics, strategic orientations

---

2 Published as Goldman, S.P.K., Van Herk, H., Verhagen, T., Weltevreden, J.W.J., (2021). Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets. *International Small Business Journal*.

## 2.1 INTRODUCTION

By 2022, business-to-consumer (B2C) cross-border online sales are expected to account for 22% of the total electronic commerce (e-commerce) worldwide (Forrester Research, 2019). Accordingly, the number of e-retailers crossing national borders continues to grow. In 2018, more than 13% of European Union retailers, originating in both developed and emerging e-commerce markets, were selling their products in multiple countries using the Internet (European Commission, 2020). However, recent studies indicate that small firms are not yet benefitting from the digital transition in the European market and are lagging behind larger firms in their digital competences (European Commission, 2020). These findings are in line with studies among small firms and their use of digital marketing activities (Eggers et al., 2017; Taiminen and Karjaluoto, 2015). However, digital competencies are needed to foster cross-border e-commerce. To succeed, e-retailers need to effectively translate their business strategy using digital marketing tactics to raise awareness of their electronic business and entice customers to make purchases in their electronic stores (e-stores). We define digital marketing tactics not only as the use of online marketing communications, such as search engine marketing and social media marketing, but also as campaign-based e-marketing communications, such as advertising and the use of banners (Chaffey and Ellis-Chadwick, 2019; Kannan and Li, 2017; Mazzarol, 2015). Our definition follows the American Marketing Association's firm centric definition (<https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>). Digital marketing tactics encourage short-term purchasing and are measurable in enhanced profit. Digital marketing tactics are driven by a firm's strategy and together represent the online value proposition of the e-retailer in creating, communicating and delivering value to customers and other stakeholders (Kannan and Li, 2017). In foreign markets, however, this relationship is more complex, as e-retailers face language barriers, cultural disparities and differences in consumer behaviour (Bartikowski and Singh, 2014; Cyr, 2008; Usunier et al., 2017).

Thus far, research and knowledge on small e-retailer strategies and the use of digital marketing tactics in foreign markets have tended to be based on insights from larger e-retailers (Colton et al., 2010). However, it is recognised that approaches to marketing for small firms differ from those of their larger counterparts (Bocconcelli et al., 2018; Jones and Rowley, 2011; Kraus et al., 2019). Small firms usually have fewer resources available for the execution of digital marketing tactics (Eggers et al., 2017; Mazzarol, 2015; Taiminen and Karjaluoto, 2015). Furthermore, small firms are often managed by a single owner/manager who tends to be a generalist lacking specialist marketing and IT competence (Jones and Rowley, 2011; Taiminen and Karjaluoto, 2015). Concurrently, technology is becoming less resource-intensive due to the availability of open-source solutions, bringing the adoption and use of digital marketing technologies within the

reach of even the smallest firms (Mazzarol, 2015; Morgan-Thomas, 2016; Taiminen and Karjaluoto, 2015). As an example, using search engine advertising (SEA) allows small e-retailers to appear at the top of Google search results similar to their larger counterparts. Even though the implementation of multiple digital marketing tactics is of great importance for small e-retailers and cross-border e-commerce, the topic remains understudied in the international small business literature.

In addition to the size of the e-retailer, the maturity level of the e-retailer's original e-commerce market may affect the link between the e-retailer's strategy and choice of marketing tactics. Previous research has indicated that firms from developed and emerging markets have differing levels of operational experience, have engaged in international expansions to varying extents, and have different motivations for expanding beyond their domestic market (Banerjee et al., 2015; Javalgi and Todd, 2011; Yamakawa et al., 2008). For example, firms which originated in developed markets had the opportunity to gain digital marketing experience in their competitive domestic market, which they can then convert into creating value in foreign markets (Argote and Miron-Spektor, 2011; Banerjee et al., 2015). In contrast, firms from emerging e-commerce markets lack such opportunities in their domestic markets (Banerjee et al., 2015). Although studies comparing firms from different countries within the small and medium-sized enterprise (SME) literature are limited, there are some indicating that the relationship between strategic orientations and digital marketing tactics influences business performance and may be moderated by the economic market context of the home country (Korsakiene and Tvaronavičiene, 2012; Laukkanen et al., 2013). This context may cause variations in the performance effects of different strategic orientations across various countries. It is therefore necessary to understand the extent to which small e-retailers, from both developed and emerging e-commerce markets, translate strategy into digital marketing tactics and how this determines performance in international markets.

Finally, although there is a considerable body of work on the internationalisation of small firms showing strategic orientations as part of the firm strategy to steer international performance (Eggers et al., 2017; Musteen et al., 2014; Stoian et al., 2017), these studies focus on establishing and maintaining a physical presence in foreign markets. This contrasts with e-retailing which requires a strong online presence and an international distribution management through designated carriers. An online presence requires a different marketing strategy (Chaffey and Ellis-Chadwick, 2019; Colton et al., 2010). However, there are few studies that examine the relationship between strategic orientations and the use of digital marketing tactics by small e-retailing firms in an international cross-border context.

This article contributes to the literature on international small firms in three ways. First, we assess the relationship between the firm's strategy and digital marketing tactics, which is of great importance for small firms (Eggers et al., 2017; Mazzarol, 2015), but

remains relatively under researched (Bocconcelli et al., 2018). In our study, we include multiple strategic orientations (growth orientation, customer orientation and foreign market orientation) that may positively impact upon the use of digital marketing tactics in foreign markets by small e-retailers in B2C cross-border e-commerce (Bamiatzi and Kirchmaier, 2014; Jones and Rowley, 2011; Laukkanen et al., 2013).

Second, we examine how these digital marketing tactics subsequently improve the international digital business performance of small e-retailers. In cross-border e-commerce, e-retailers are challenged by language barriers, cultural disparities and differences in consumer behaviour (Bartikowski and Singh, 2014; Cyr, 2008; Usunier et al., 2017). Digital marketing tactics provide opportunities for small e-retailers to attract new, and reach existing customers. With the mediating structure in our study, we show how the small e-retailer's strategic orientations and use of digital marketing tactics in foreign markets enhance the international business performance of the e-store.

Third, following calls from Laukkanen et al. (2013) and Sheth (2011), among others, we assess the boundary conditions of the aforementioned relationships by comparing small e-retailers across developed and emerging e-commerce markets. In particular, we assess how the effect of strategic orientation on the use of digital marketing tactics varies among small e-retailers originating from developed and emerging e-commerce markets.

This article is organised as follows. First, we consider the theory of firm strategy and the digital marketing tactics, which are relevant to small e-retailers that internationalise via the Internet, and present the hypotheses. Subsequently, we outline the methodology and then present the results. To conclude, we present some implications for business decision makers and suggest directions for future research.

## **2.2 THEORY AND HYPOTHESES**

### **2.2.1 Strategic marketing orientations**

To understand how a small e-retailer's strategic marketing orientations affect the use of digital marketing tactics in cross-border e-commerce, we use the lens of traditional theoretical marketing frameworks. These frameworks, as noted by Armstrong et al. (2012) and Rust et al. (2004), provide insights into how marketing strategies determine the marketing tactics employed, which in turn, influence performance. Recently, digital marketing frameworks have outlined this same relationship related to digital marketing strategy, digital marketing tactics and enhanced business performance (Chaffey and Ellis-Chadwick, 2019; Kannan and Li, 2017). Fundamentally, the marketing strategy of

small e-retailers should provide consistent direction to their digital marketing tactics to ultimately support the e-store's overall business objectives. As such, the aim of current digital marketing strategies is similar to that of traditional marketing strategies, that is, to grow a business through customer acquisition and retention. The firm's strategic marketing orientations form a major part of the marketing strategy (Bocconcelli et al., 2018; Frambach and Nijssen, 2017). Small firms tend to adopt generic marketing concepts such as customer orientation, as part of their strategy, and undertake marketing activities related to these orientations (Lam and Harker, 2015). As such, small firm strategic orientation drives the adoption and implementation of marketing technologies such as the use of social networks (Eggers et al., 2017). The alignment of a firm's strategic orientations with the adoption of digital technologies positively influences the performance and competitiveness of an SME (Mazzarol, 2015).

Existing research on the impact of strategic orientations on marketing activities and international business performance centres either on the cross-border e-commerce activities of large firms (such as Colton et al., 2010) or focuses on small firms operating internationally through a physical presence in foreign countries (Eggers et al., 2017; Musteen et al., 2014; Stoian et al., 2017).

Therefore, to assess strategic marketing orientations relevant to small e-retailers in cross-border e-commerce, we select as our starting point, orientations that aim to (1) promote international growth by allocating resources to international marketing tactics (growth orientation); (2) serve customers, since the main objective is to induce new foreign customers to visit the website (customer orientation); and (3) acquire knowledge about foreign markets, since local insight is necessary for the implementation of marketing tactics in new markets (foreign market orientation).

In Table 2.1, relevant empirical studies, which describe how growth orientation, customer orientation and foreign market orientation may lead to the usage of digital marketing-related technologies and enhance business performance, are summarised. None of these studies combine the three mentioned strategic orientations in a mediated structure with digital marketing tactics and international business performance, nor do they differentiate between small e-retailers originating from developed and emerging e-commerce markets. Nevertheless, all studies indicate the potential relevance of these constructs for small e-retailers in cross-border e-commerce.



**Table 2.1** Exemplary papers on strategic orientations and digital marketing tactics

<b>Authors</b>	<b>Focal interest in relation to this study</b>	<b>Determinants of (international) business performance</b>				<b>Geographical scope</b>	
		<b>Growth orientation</b>	<b>Customer orientation</b>	<b>Foreign market orientation</b>	<b>Digital marketing tactics</b>	<b>Developed countries</b>	<b>Emerging countries</b>
Baum et al. (2011)	Typology of small international new ventures	X				X	
Colton et al. (2010)	Relationships among firm orientations, strategic resources, and the international e-tail performance of large firms*		X	X		X	X
Eggers et al. (2017)	Technologies that support marketing and market development in small and medium sized enterprises (SMEs)		X		X	X	
Lengler et al. (2016)	Determinants of Brazilian SMEs' export performance		X				X
Moen et al. (2016)	Motivation for growth, international orientation and the performance of SMEs	X				X	
Musteen et al. (2014)	The role of international networks and foreign market knowledge in SME internationalization			X			X
Stoian et al. (2017)	SME networks and international performance			X		X	
This study	Strategic orientations, digital marketing activities and business performance in cross-border electronic commerce	X	X	X	X	X	X

\* Although the sample contains developed and emerging countries, no distinction or comparison is made

In the remainder of this section, we elaborate upon the relationship between the three identified strategic orientations<sup>3</sup> and the digital marketing tactics used by small e-retailers engaged in cross-border e-commerce.

### **2.2.2 Growth orientation and digital marketing tactics**

Growth orientation refers to a firm's motivation to grow and has been shown to lead to earlier internationalisation, higher levels of international business performance and an increased commitment to foreign markets (Baum et al., 2011; Moen et al., 2016). Firms that have opted for growth through international expansion appear to adopt distinctively proactive orientations allowing them to identify opportunities outside domestic markets. As a result, growth orientation is reflected by a rise in export sales.

Given that growth orientation has been observed in both exporting SMEs, and in multinationals expanding via the Internet (Baum et al., 2011; Colton et al., 2010; Moen et al., 2016), it is conceivable that small firms engaging in cross-border e-commerce also rely on this strategic orientation to identify and seize opportunities in foreign markets. To create and exploit growth opportunities in e-commerce, it is important that e-retailers use digital marketing tactics (Alford and Jones, 2020; McKinsey and Company, 2013). Hence, it is likely that small e-retailers may depend on growth orientation as part of their firm's strategy for the deployment of digital marketing in foreign markets. Therefore, we hypothesise the following:

*H1. The higher the level of growth orientation, the more will small e-retailers make use of digital marketing tactics in cross-border e-commerce.*

### **2.2.3 Customer orientation and digital marketing tactics**

Customer orientation relates to the firm's focus on processes to create customer value and prioritise customer interests (Narver and Slater, 1990). Although the debate continues over the precise definition of customer orientation, descriptions usually include (1) the acquisition of information about the customer in the target market; (2) the dispersing of customer information throughout the organisation; and (3) the development of a strategy to meet current and future customer needs and preferences, while ensuring long-term profitability (Frambach et al., 2016; Narver and Slater, 1990).

---

3 In this article, we conceptualize strategic orientations at the firm-level, in line with the studies conducted by Grimmer et al. (2017) and Nejati et al. (2017), among others. In our data, we focus on small e-retailers (14.79 employees, on average). We noted the position held by the respondent in the firm and found that there were no differences in the answers between the owner and other employees; for example e-commerce managers, for all orientations ( $p > 0.10$ ). The owner and employees may be almost indistinguishable in such firms. Therefore, we consider all respondents as being at firm-level.

Given that the effect of customer orientation on business performance has been observed for both exporting SMEs (Brockman et al., 2012; Lengler et al., 2016) and for multinationals expanding via the Internet (Colton et al., 2010), it follows that customer orientation may also play a role in the international performance of small firms engaging in cross-border e-commerce. E-commerce firms have many opportunities to obtain customer information via the Internet by tracking the purchasing habits of potential customers and the purchase histories of existing customers; this allows e-retailers to gain insights into customer behaviour (Alford and Jones, 2020; Leeflang et al., 2014; Lemon and Verhoef, 2016). Knowledge about customer needs, profile, preferences and digital experiences can be used to formulate marketing tactics directed at groups of customers with shared characteristics (Leeflang et al., 2014; Lemon and Verhoef, 2016). Customer insights, therefore, aid in the deployment of digital marketing tactics to attract new customers, as well as returning customers, to the e-store. It is reasonable to assume that, due to a stronger customer orientation, an e-retailer engaging in cross-border e-commerce is more aware of the need to use digital marketing tactics in foreign markets to encourage foreign customers to visit its e-store. Therefore, we hypothesise the following:

*H2.* The higher the level of customer orientation, the more will small e-retailers make use of digital marketing tactics in cross-border e-commerce.

#### **2.2.4 Foreign market orientation and digital marketing tactics**

Foreign market orientation refers to the processes needed to acquire knowledge about and effectively serve foreign markets (Lord and Ranft, 2000). It includes knowledge related to foreign cultures, other customer needs, competitive conditions and a novel institutional environment. Previous studies indicated that foreign market orientations as part of the firm's strategy are positively associated with the international expansion of small firms (Knight and Liesch, 2016; Musteen et al., 2014) as well as with large e-retailers across borders via the Internet (Colton et al., 2010).

Given the global nature and reach of e-commerce, consumers can easily access e-stores from other countries. This means that cross-border e-retailers need to interact with consumers from varying cultures whose preferences are known to differ (Bartikowski and Singh, 2014; Cyr, 2008). An increased awareness of the differences between the domestic and foreign markets relates to knowledge about customer behaviour across consumers from different markets and the importance of language adaptation in communicating with these foreign customers (Usunier et al., 2017). E-retailers with a higher foreign market orientation may be more conscious of the importance of knowing the foreign markets and their customers, and as such may recognise the need to make greater use of digital marketing tactics to better reach foreign customers. Given this premise, it makes sense to expect that e-retailers who include foreign market orienta-

tions in their marketing strategy will make greater use of digital marketing tactics than e-retailers who pay less attention to foreign market orientation. Accordingly, we hypothesise the following:

*H3.* The higher the level of foreign market orientation, the more will small e-retailers make use of digital marketing tactics in cross-border e-commerce.

### **2.2.5 Digital marketing tactics and international business performance**

The literature shows that for both large firms and SMEs, the use of digital marketing tactics is positively related to growth, performance and competitiveness (Chaffey and Ellis-Chadwick, 2019; Taiminen and Karjaluoto, 2015). Digital marketing tactics, such as social media marketing and the use of banners, provide e-retailers with opportunities to attract potentially interested customers to their e-store, as well as reach existing customers. As such, the deployment of digital marketing tactics enhances business performance by improving the e-store conversion rate; that is, the percentage of site visitors that convert to buying customers, average basket value; that is, the average value spent per customer per transaction in the e-store and online turnover, which ultimately enhances profitability (Ecommerce Foundation, 2016; Saura et al., 2017).

In cross-border e-commerce, the challenge for the small e-retailer is not only to reach customers who are not yet familiar with the e-store, but also to take into account the differences in languages and consumer behaviour (Bartikowski and Singh, 2014; Cyr, 2008). If small e-retailers are able to increase the use of digital marketing tactics in foreign markets, the international business performance of their e-store is likely to improve. We therefore hypothesise the following:

*H4.* The more digital marketing tactics are used in foreign markets, the larger is the effect on the business performance of small e-retailers in cross-border e-commerce.

### **2.2.6 Developed versus emerging e-commerce markets**

It has been shown that developed markets are more competitive than emerging markets (Banerjee et al., 2015; Peng et al., 2008). In competitive markets, firms have the opportunity to gain strategic and operational experience with digital marketing, enabling the firm to transform this knowledge into value creation (Argote and Miron-Spektor, 2011; Banerjee et al., 2015). This phenomenon is described as the 'learning curve of an organisation' or 'organisational learning' and is based on 'learning by doing' (Arrow, 1971). While firms originating in developed markets are accustomed to open and competitive markets, those originating in emerging markets are disadvantaged as they have developed within more closed economies that are often shielded from global competition (Banerjee et al.,

2015). This could be why SMEs from developed markets are at a more advanced stage of internationalisation, making greater use of advanced digital opportunities than their counterparts from emerging markets (Korsakiene and Tvaronavičiene, 2012).

When e-retailers expand across national borders, they are likely to apply learning about translating the firm's strategy into the use of digital marketing tactics in their domestic market to foreign markets. Due to the high degree of competitiveness in the domestic market, e-retailers originating from developed e-commerce markets may have gained a greater awareness of the role and value of digital marketing tactics in the execution of their strategic orientations than their counterparts from emerging e-commerce markets. As such, e-retailers in developed markets may have had greater access to learning, knowledge and networks related to digital marketing. In contrast, e-retailers from emerging e-commerce markets may have had less access to digital marketing knowledge and experience and, therefore, have less knowledge to implement a more sophisticated integrated digital strategy. Moreover, it has been noted that e-retailers need to be aware of the nature and importance of using digital marketing tactics and be willing to employ them (Mazzarol, 2015; Taiminen and Karjaluoto, 2015). Due to a greater awareness of the role and importance of these tactics in cross-border e-commerce, small e-retailers from developed e-commerce markets are expected to translate the respective strategic orientations more effectively than their counterparts from emerging e-commerce markets. Therefore, we hypothesise the following:

*H5a.* The impact of growth orientation on the use of digital marketing tactics in cross-border e-commerce is more effective for small e-retailers from developed e-commerce markets than from emerging e-commerce markets.

*H5b.* The impact of customer orientation on the use of digital marketing tactics in cross-border e-commerce is more effective for small e-retailers from developed e-commerce markets than from emerging e-commerce markets.

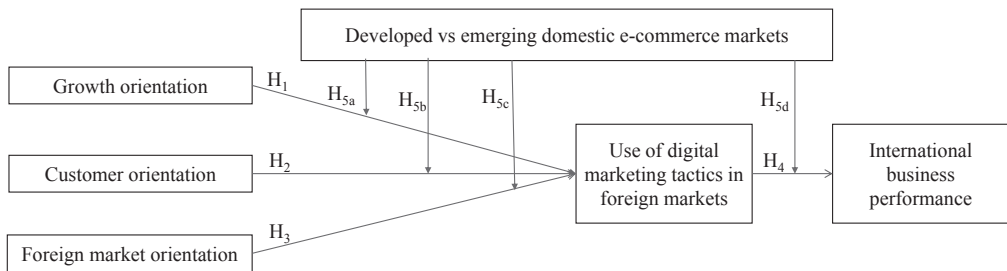
*H5c.* The impact of foreign market orientation on the use of digital marketing tactics in cross-border e-commerce is more effective for small e-retailers from developed e-commerce markets than from emerging e-commerce markets.

Since small e-retailers from developed e-commerce markets may have gained higher proficiency in using digital marketing tactics in their more competitive domestic markets than their counterparts from emerging e-commerce markets, they may have learned how to use the different types of digital marketing tactics to persuade customers to visit their e-store than their counterparts. Hence, it seems likely to expect that what e-retailers learn

in their domestic markets will be applied in foreign markets. The use of digital marketing tactics in foreign markets by small e-retailers from developed e-commerce markets may therefore lead to a higher international business performance than for small e-retailers from emerging e-commerce markets. Accordingly, we hypothesise the following:

*H5d.* The impact of the use of digital marketing tactics on international business performance in cross-border e-commerce is more effective for small e-retailers from developed e-commerce markets than from emerging e-commerce markets.

In Figure 2.1, the postulated hypotheses are summarised and integrated into a conceptual model.



**Figure 2.1** Conceptual model of hypotheses

### 2.3 DATA AND METHODOLOGY

To test our hypotheses, we conducted a quantitative, questionnaire-based study. The sample frame consisted of online B2C retail firms from 20 European countries. We compiled a list based on publicly available uniform resource locators (URLs) of e-stores since an extensive list was not readily available. We used the WebExtractor System (2015) software to extract URLs of e-stores from well-known, trusted and reliable national e-commerce associations, trust-mark websites and price comparison websites. We then used the contact information for the business owners and e-commerce managers available on the websites, to send our structured questionnaire and a cover letter explaining the purpose of the study, in two waves, to 7865 e-retailers. The first wave was sent in November 2016 and the second in April 2017<sup>4</sup>.

4 The second wave was addressed to e-stores which were not included in the first wave. The only difference between the two waves is that in the first wave e-mail addresses were collected manually from the website of the e-store, while in the second wave the e-mail addresses were collected via web scraping.

We received positive responses from 948 e-retailers, a response rate of 12% which is common for a cross-national survey aimed at a business population (Harzing, 2000). A total of 735 e-retailers completed the online survey. After eliminating responses that indicated that the e-retailer did not sell products or services in foreign markets ( $n = 266$ ), or that the e-retailer did not fit the standard European definition of an SME (number of employees  $< 250$ ) (Bocconcelli et al., 2018) ( $n = 3$ ), a final sample of 446 observations remained. All e-retailers in our sample are based in one of the 20 European markets and participate actively in B2C cross-border e-commerce.

To assess for non-response bias, we followed the recommendations of Hulland et al. (2018) by making use of more than one assessment technique. First, we assessed whether the e-retailers completing the survey systematically differed from those that did not. Second, we assessed whether the e-retailers that received our survey in the first wave systematically differed from those who received the survey in the second wave. No significant differences were found from the t-tests conducted. Together, these results indicate that non-response bias within our dataset is negligible.

### **2.3.1 Measures**

The measures used in this study are listed in Table 2.2. To measure the strategic orientations, we included commonly used, validated scales from comparable literature. Following recommendations on limiting the number of items in multi-item scale surveys in a cross-national context (Steenkamp and Baumgartner, 1998; Usunier et al., 2017), we used three items per construct. The items used were short and clear to ensure valid translations (de Vijver and Hambleton, 1996). We adopted the three-item scale used by Baum et al. (2011) to measure growth orientation, and adopted the three shortest items from Brockman et al. (2012) to measure customer orientation. To measure foreign market orientation, we adopted the four-item scale from Colton et al. (2010), of which we removed a reverse-coded item because it has been found that the measurement equivalence and construct validity of a scale are challenged in cross-national research when mixed-worded Likert type items are used (Wong et al., 2003). The three constructs were measured by asking respondents to indicate their level of agreement with the items on a 5-point Likert-type scale varying from (1) strongly disagree to (5) strongly agree.

**Table 2.2** List of measures

Measures
<p>Growth orientation</p> <p>Please indicate to what extent these statements apply to your company</p> <ul style="list-style-type: none"> <li>We have to grow in order to succeed in the future</li> <li>Our company's aims can be achieved mainly through further growth</li> <li>The markets in which we are currently serving still offer sufficient growth potential</li> </ul>
<p>Customer orientation</p> <p>Please indicate to what extent these statements apply to your company</p> <ul style="list-style-type: none"> <li>My company's objectives are driven by customer satisfaction</li> <li>My company's strategy for competitive advantage is based on understanding customer needs</li> <li>Providing value for our customers is the most important thing my company does</li> </ul>
<p>Foreign market orientation</p> <p>Please indicate to what extent these statements apply to your company</p> <ul style="list-style-type: none"> <li>Before we started selling products via our website(s), some people in my company had experience in international markets</li> <li>My company knows how to market products in foreign countries</li> <li>Our online sales strategy considers differences between our home market and foreign market</li> </ul>
<p>Digital marketing tactics</p> <p>What marketing activities does your company conduct to attract foreign customers to the website(s)? Multiple answers possible</p> <ul style="list-style-type: none"> <li>Search Engine Advertising (SEA)</li> <li>Search Engine Optimization (SEO)</li> <li>Affiliate Marketing</li> <li>Social Media</li> <li>Bannering</li> <li>Advertising on international online marketplaces like e-Bay or Amazon.com</li> <li>Advertising on (inter)national price comparison websites</li> <li>Advertising in the foreign press and broadcasting media</li> <li>We do not conduct specific marketing activities to attract foreign customers</li> </ul>
<p>International business performance</p> <ul style="list-style-type: none"> <li>Was the average conversion ratio of foreign customers higher or lower than the conversion ratio of customers from your home market in the past 12 months?</li> <li>Was the online turnover of foreign customers higher or lower than the conversion ratio of customers from your home market in the past 12 months?</li> <li>Was the number of returning customers of foreign countries higher or lower than the conversion ratio of customers from your home market in the past 12 months?</li> </ul>

We measured digital marketing tactics as a formative construct, following the structure developed by Rossiter (2002). Therefore, our study measured digital marketing tactics by asking what type of activity the e-retailer conducts in foreign countries to attract customers to their e-store. We offered respondents a list of eight marketing tactics that are common within e-commerce (Chaffey and Ellis-Chadwick, 2019) and are likely to be used by small e-retailers in cross-border e-commerce: affiliate marketing such as, search engine optimisation (SEO), tactics which increase a site's visibility through organic search



engine results; SEA, tactics which increase a site's visibility through advertising; the use of banners; social media; advertising on (inter)national price comparison websites; advertising in foreign press and broadcasting media; and advertising on international online marketplaces; for example, eBay and Amazon.com. We also offered respondents the option of 'We do not conduct specific marketing tactics to attract foreign customers', which would then be coded as 0. To produce the final scale for measuring digital marketing tactics, we summed the tactics reported by the respondents (resulting in a scale ranging from 0 to 8).

We measured international business performance by asking respondents to rate the performance of their e-store in foreign markets compared with their performance in their domestic market using three commonly used key performance indicators in e-commerce: conversion ratio, online turnover and the number of returning customers (Ecommerce Foundation, 2016; Saura et al., 2017). The conversion ratio refers to the percentage of website visitors who make a purchase; the online turnover refers to the total sales by the e-store in a specified period; and the number of returning customers indicates how many customers have previously bought items from the e-store. The three indicators were measured by asking respondents to indicate their firm's cross-border performance in the past 12 months, using a 7-point Likert-type scale ranging from (1) much lower to (7) much higher.

We developed the source questionnaire in English and conducted a pre-test to assess its logical formatting. Four academics, two of whom have hands-on experience in e-commerce, one is part of a national cross-border expert group, and an e-commerce manager, took part in the pre-test before approving the questionnaire. By following the approach of Hulland et al. (2018), we minimised the potential for common method bias in self-reported data. We spread the questions in the questionnaire so that respondents were not aware of the conceptual framework. The order of the research items was randomised for each question included in the survey. Finally, text was added specifying that the anonymity of the respondents was assured. Since translation into native languages is essential for conducting research across multiple countries and cultures (Usunier et al., 2017), we translated the English-language questionnaire into 19 other languages following the committee approach (Harkness et al., 2004).

### **2.3.2 Classification of developed and emerging e-commerce markets**

We used a two-step process to classify the countries analysed in our study as having either a developed or emerging e-commerce market. First, we obtained e-commerce revenues per inhabitant for each country using data from Statista (2019a) and the World Bank (2019). We classified countries as possessing a developed e-commerce market,

when e-commerce revenues were above \$250 per capita, and as having an emerging e-commerce market when e-commerce revenues were lower than \$250 per capita. This classification broadly reflects that employed by the Global Investable Market Index (IMI) (MSCI, 2018). Denmark, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom were classified as developed e-commerce markets; and Bulgaria, Croatia, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia were classified as emerging e-commerce markets.

We then described and assessed firm-level characteristics of developed and emerging e-commerce markets using R (R Core Team, 2017) (see Table 2.3 for a detailed overview of firm sample characteristics for each e-commerce market). We did not find significant differences in firm size ( $t = 0.82$ ,  $df = 405.07$ ,  $p = 0.41$ ) or in the size of the management team ( $t = 1.19$ ,  $df = 422.29$ ,  $p = 0.24$ ). We found a significant difference in firm age ( $t = 2.40$ ,  $df = 431.75$ ,  $p < 0.05$ ) and in the number of years conducting cross-border e-commerce ( $t = 4.30$ ,  $df = 441.46$ ,  $p < 0.01$ ). We therefore decided to control the results of our hypothesis, testing for both firm age and the number of years conducting cross-border e-commerce.

**Table 2.3** Overview of sample characteristics

	<b>Developed e-commerce market firms (n = 256)</b>	<b>Emerging e-commerce market firms (n = 190)</b>
Firm size*	15.80 ( <i>sd</i> = 30.20)	13.43 ( <i>sd</i> = 30.51)
Size of the management team**	2.10 ( <i>sd</i> = 1.17)	1.97 ( <i>sd</i> = 1.09)
Firm age	8.77 ( <i>sd</i> = 4.53)	7.81 ( <i>sd</i> = 3.97)
Number of years online cross-border	7.05 ( <i>sd</i> = 4.42)	5.43 ( <i>sd</i> = 3.54)

\*Average number of employees

\*\*Average number of members within the management team

## 2.4 RESULTS

The data were analysed using lavaan (version 0.5-23.1097) in R (Rosseel, 2012). The analysis was divided into five parts. We first assessed the convergent and discriminant validity of the measures. After which, we established the measurement invariance between the two groups. We then used a multi-group structural equation model (SEM) to test our hypothesis. Finally, we compared our model with an alternative structure and conducted an additional post hoc analysis on the specific digital marketing tactics that the e-retailers in our sample were using in foreign markets.

### 2.4.1 Convergent and discriminant validity

Convergent and discriminant validity were tested using Cronbach’s alpha, composite reliability and the assessment of the heterotrait-monotrait (HTMT) ratio of correlations (Henseler et al., 2015). Based on low factor loadings (of –0.25) and a lack of convergent validity, a reverse-coded item from the growth orientation scale was removed. Table 2.3 shows that Cronbach’s alpha for growth orientation, customer orientation and international business performance exceeded Nunnally and Bernstein’s (1994) recommendation of 0.70. Foreign market orientation produced a Cronbach’s alpha value of 0.63, which is still above the lowest acceptable value of 0.60 (Nunnally, 1978). In addition, the acceptable convergent validity was supported by the factor loadings, which ranged from 0.67 to 0.92. Following Henseler et al.’s (2015) approach, in evaluating the discriminant validity, we studied the HTMT ratio of correlations to evaluate the discriminant validity. Since the HTMT estimates the correlation between two constructs, discriminant validity can be established when the two constructs produce a HTMT criterion value lower than 0.85. In our data, the HTMT ratio of correlations ranged from 0.05 to 0.41 (see Table 2.4), providing clear evidence of discriminant validity.

**Table 2.4** Means, standard deviations, and convergent and discriminant validities

Construct	Mean	SD	$\alpha$	CR	Factor loadings	01	02	03
01 Growth orientation	4.36	0.77	0.84	0.84	0.91, 0.92			
02 Customer orientation	4.45	0.62	0.72	0.71	0.88, 0.85, 0.75	0.31		
03 Foreign market orientation	3.01	0.99	0.63	0.63	0.78, 0.78, 0.67	0.12	0.22	
04 International business performance	3.09	1.44	0.77	0.78	0.81, 0.80, 0.84	0.08	0.05	0.41
05 Digital marketing tactics	1.92	1.85	-	-	-	-	-	-

SD = standard deviation;  $\alpha$  = Cronbach’s alpha; CR = composite reliability

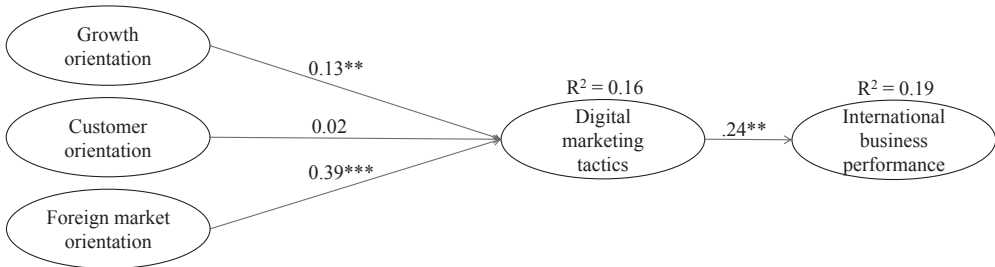
### 2.4.2 Measurement invariance

Given that our conceptual model was going to be tested across two groups (e-retailers from developed versus emerging e-commerce markets), it was necessary to first test the invariance of the measures (Steenkamp and Baumgartner, 1998). The results provide support for full metric invariance; the difference in chi-square was not significant ( $\Delta$  chi-square/ $df$  = 1.26,  $p$  = 0.26), and the fit indices of the model with loadings constrained had a good fit (chi-square/ $df$  = 1.50, comparative fit index (CFI) = 0.96, non-normed fit index (NNFI) = 0.95, standardised root mean square residual (SRMR) = 0.06 and root mean square error of approximation (RMSEA) = 0.05). Thus, both configural and metric invariance of the constructs could be established (Steenkamp and Baumgartner, 1998), enabling us to test our model.

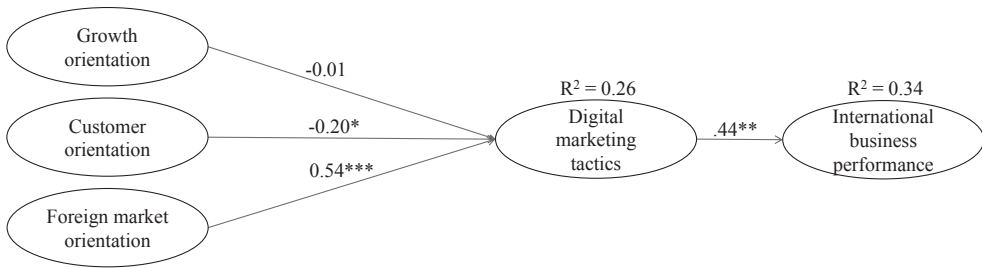
### 2.4.3 Structural equation model

We chose to perform our analysis with SEM, since with SEM it is possible to include multiple constructs at the same time when assessing various relationships (Kline, 2015). We conducted a multi-group analysis to compare the model for e-retailers from developed e-commerce markets ( $n = 256$ ) against e-retailers from emerging e-commerce markets ( $n = 190$ ). The fit indexes obtained for the multi-group analysis indicate that the model has a good fit for both markets: chi-square/ $df = 1.78$ , CFI = 0.94, NNFI = 0.92, SRMR = 0.07 and RMSEA = 0.06 (Iacobucci, 2010).

A. Firms from developed e-commerce markets



B. Firms from emerging e-commerce markets



**Figure 2.2** Structural model (standardised parameters estimates are shown with  $p$  values in parentheses)

As illustrated in Figure 2.2, we find a positive and significant effect for growth orientation on digital marketing tactics within developed e-commerce market e-retailers ( $\beta = 0.13$ ,  $p < 0.01$ ), while this effect is non-significant (ns) for emerging e-commerce market e-retailers ( $\beta = -0.01$ ,  $p = ns$ ). This result partially supports Hypothesis 1. Contrary to the expectations, the results reveal a significant negative effect for customer orientation on digital marketing tactics within emerging e-commerce market e-retailers ( $\beta = -0.20$ ,  $p < 0.05$ ) and no significant effect for developed e-commerce market e-retailers ( $\beta = 0.02$ ,

$p = ns$ ). Thus, Hypothesis 2 is not supported. Furthermore, the results show a positive and significant effect for foreign marketing orientation on digital marketing tactics in both markets ( $\beta = 0.39$  ( $p < 0.001$ ) for e-retailers from developed e-commerce markets and  $\beta = 0.54$  ( $p < 0.001$ ) for e-retailers from emerging e-commerce markets), supporting the validity of Hypothesis 3. These results indicate clear differences between e-retailers from developed and emerging e-commerce markets. When testing Hypothesis 4, we find a significant effect for the relationship between the use of digital marketing tactics on international performance in both markets ( $\beta = 0.24$  ( $p < 0.01$ ) for e-retailers from developed e-commerce markets and  $\beta = 0.44$  ( $p < 0.01$ ) for e-retailers from emerging e-commerce markets), supporting the validity of Hypothesis 4.

To test Hypotheses 5a, 5b and 5c, we assessed if the path coefficients between the strategic orientations and the use of digital marketing tactics significantly differ between e-retailers from developed and emerging e-commerce markets. We constrain the path coefficients per relationship in the model and use analysis of variance (ANOVA) to compare the models with constrained and unconstrained loadings. First, we find no significance for the relationship between growth orientations and the use of digital marketing tactics between the two markets ( $\Delta$  chi-square/ $df = 2.86$ ,  $p > 0.05$ ). However, it should be noted that the standardised beta coefficient of this relationship is significant for e-retailers from developed e-commerce markets and non-significant for e-retailers from emerging e-commerce markets. Furthermore, the  $p$  value of the ANOVA is only marginally above the threshold ( $p = 0.07$ ). Therefore, this result indicates that growth orientation only affects the digital marketing tactics of e-retailers from developed e-commerce markets. Second, we find a significant difference in the relationship between customer orientation and digital marketing tactics between the two markets ( $\Delta$  chisquare/ $df = 4.20$ ,  $p < 0.05$ ), which supports Hypothesis 5b. Third, we find a non-significant difference for the relationship between foreign market orientation and digital marketing tactics between the two markets ( $\Delta$  chi-square/ $df = 3.29$ ,  $p = ns$ ), indicating that Hypothesis 5c is not supported. Finally, when testing Hypothesis 5d, we find a significant difference between the two markets ( $\Delta$  chi-square/ $df = 4.37$ ,  $p < 0.05$ ). Our results show that the relationship between the use of digital marketing tactics and international business performance is significantly stronger for e-retailers from emerging e-commerce markets but not for e-retailers from developed e-commerce markets.

In line with previous studies on the international performance of small firms (Autio et al., 2013; Musteen et al., 2014), we control our model for firm age, the number of years active in cross-border e-commerce, firm size and the size of the management team by testing the effect on the two dependent variables in our model: digital marketing tactics and international business performance. Only firm size has a positive effect on digital marketing tactics in both developed ( $\beta = 0.30$ ,  $p < 0.01$ ) and emerging e-commerce markets ( $\beta = 0.16$ ,  $p < 0.01$ ). The estimated effects in the main model are unchanged after including control variables.

#### 2.4.4 Alternative model

Since our structural model uses a mediated structure, we compare our model to an alternative model, in which we include the direct effects of strategic orientations on international business performance. Recent research indicates that such effects could be present (Brockman et al., 2012; Eggers et al., 2017). The results of the alternative model (see Table 2.5) show the structure of the model remains largely unchanged. After adding three direct relationships between the strategic orientations and international business performance, the fit indices improve slightly (chi-square/*df* = 1.60, CFI = 0.96, NNFI = 0.94, SRMR = 0.05, RMSEA = 0.05). The standardised beta coefficients of the relations between the strategic orientations and digital marketing tactics remain similar across both models. The standardised beta coefficients of the relation between digital marketing tactics and international business performance remain significant and the explained variance of digital marketing tactics remains similar. This test therefore reinforces our confidence in our chosen model, since the structure remains intact. Interestingly, the results of the alternative model provide additional insight. Of the three strategic orientations, only the direct relationship between foreign market orientation and international business performance is significant for e-retailers from developed e-commerce markets ( $\beta = 0.28$ ,  $p < 0.01$ ) and emerging e-commerce markets ( $\beta = 0.44$ ,  $p < 0.01$ ). This additional effect accounts for the increase in the explained variance of international business performance in the alternative model, from 6% to 16% for e-retailers from developed e-commerce markets, and from 19% to 34% for e-retailers from emerging e-commerce markets.

**Table 2.5** Results alternative model

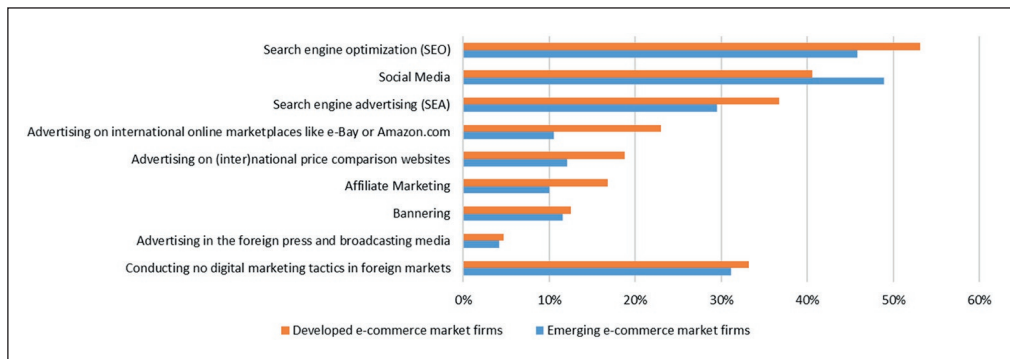
Effects	Developed e-commerce markets	Emerging e-commerce markets
Growth orientation -> Digital marketing tactics	0.13**	-0.01 (ns)
Customer orientation -> Digital marketing tactics	0.02 (ns)	-0.20*
Foreign market orientation -> Digital marketing tactics	0.37***	0.52***
Digital marketing tactics -> International business performance	0.16*	0.23*
Growth orientation -> International business performance	-0.08 (ns)	-0.03 (ns)
Customer orientation -> International business performance	-0.03 (ns)	-0.03 (ns)
Foreign market orientation -> International business performance	0.16*	0.23*
Variance explained of digital marketing tactics	13%	26%
Variance explained of international business performance	16%	34%

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ , ns = non-significant

### 2.4.5 Additional post hoc analysis of specific digital marketing tactics

A post hoc analysis was used to gain further insights into the use of specific digital marketing tactics by small e-retailers in foreign markets. In our sample, 32% of the e-retailers indicated that they do not use any digital marketing tactics in foreign markets (33% from developed e-commerce markets and 31% from emerging e-commerce markets). The number of digital marketing tactics used in cross-border settings differs between e-retailers from developed and emerging e-commerce markets: in developed markets it is 3.1 on average, while e-retailers from emerging e-commerce markets use 2.5 different marketing tactics ( $t = 3.25, p < 0.05$ ).

Also, some interesting differences regarding the type of digital marketing tactics used per e-commerce market (see Figure 2.3) were observed. SEO is the most used digital marketing tactic by e-retailers from developed e-commerce markets (53%) but is used less by e-retailers from emerging e-commerce markets (30%). Also, SEA is used more by e-retailers from developed e-commerce markets (37%) than by e-retailers from emerging markets (30%). In contrast, social media is used more by e-retailers from emerging e-commerce markets (50%) than by e-retailers from developed e-commerce markets (41%). Overall, except for social media, each digital marketing tactic is used more by e-retailers from the developed e-commerce markets.



**Figure 2.3** Digital marketing tactics used by small firms in foreign markets

## 2.5 DISCUSSION AND CONCLUSION

In this article, we identified the strategic orientations used by small e-retailers engaging in cross-border e-commerce and the impact on the use of digital marketing tactics in foreign markets, a key driver of international business performance. Of the three strategic marketing orientations examined, our results suggest that foreign market orientation has the strongest impact on the use of digital marketing tactics in foreign markets. This effect

of foreign market orientation becomes even more important when we find a direct effect on international business performance. Our analysis adds to earlier findings on foreign market orientation and performance (Musteen et al., 2014; Stoian et al., 2017), showing that foreign orientation is the most important strategic orientation for small e-retailers in cross-border e-commerce to enhance their international business performance. Our results on growth and customer orientation contrast with the findings in earlier studies (Colton et al., 2010; Lengler et al., 2016; Moen et al., 2016). Furthermore, we find that the effect of growth and customer orientation differs across firms originating from developed and emerging e-commerce markets. Growth orientation has a positive influence on the use of digital marketing tactics only for small e-retailers from developed e-commerce markets. This may be because e-retailers have gained experience through their domestic market that growth can be achieved by using more digital marketing tactics. Previous studies suggest that e-retailers from emerging markets can only gain such experience after expanding into developed, competitive markets (Banerjee et al., 2015; Yamakawa et al., 2008). We also find that customer orientation significantly affects the use of digital marketing tactics only for e-retailers from emerging e-commerce markets. Moreover, contrary to our hypothesised relationship, this effect is found to be negative. The inability of e-retailers from emerging e-commerce markets to leverage web analytics data may be the cause of this negative effect (Leeflang et al., 2014).

Finally, our results indicate, as expected, that the use of digital marketing tactics in foreign markets improves the international business performance of small e-retailers. Interestingly, we find that, on average, e-retailers from emerging e-commerce markets use fewer digital marketing tactics, whereas the effect on international business performance is significantly stronger than for e-retailers from developed e-commerce markets. It may be that when more digital marketing tactics are being employed, the effect of adding additional tactics decreases. Another possible explanation is that people from emerging e-commerce markets have a higher skill in using foreign languages than people from developed e-commerce markets. Language is an important skill to be successful in internationalisation (Usunier et al., 2017). Adapting digital marketing tactics to foreign markets can be the key to success. In emerging markets and smaller developed markets, knowledge of second and third languages is greater than in large developed markets such as the United Kingdom, France, Italy and Spain (Eurobarometer, 2006).

### **2.5.1 Contributions**

This article contributes to the literature on small firms in multiple ways. We use a mediated model to illustrate how specific strategic orientations lead to the use of more digital marketing tactics, and in turn to improve the international performance of e-stores of small e-retailers. Although previous research has indicated that small firms may copy



what others do (Lam and Harker, 2015), or base their strategy and tactics on a simple and tacit approach (Bocconcelli et al., 2018; Jones and Rowley, 2011), the results of our research emphasise that small e-retailers benefit from adopting an explicit market orientation. More specifically, our analysis highlights the importance of foreign market orientation to overcome cross-border challenges and succeed in international e-commerce. E-retailers are challenged in cross-border e-commerce by language barriers, cultural disparities and differences in consumer behaviour (Usunier et al., 2017). An emphasis on foreign market orientation provides opportunities for small e-retailers to improve their international business performance, both directly and indirectly, through the employment of digital marketing tactics. Furthermore, following calls from Laukkanen et al. (2013) and Sinha and Sheth (2018), among others, we assessed the boundary conditions of our postulated relationships. We found that the effects of the strategic orientations differ for small e-retailers originating from developed and emerging e-commerce markets. The impact of growth and customer orientation on the use of digital marketing tactics is prominent and shows that e-commerce markets should not be considered as either uniform or generalisable. The notable difference in the variance explained by the model tested between firms from developed and emerging markets highlights that there may be even more drivers for differences in use of marketing tactics, or performance, between e-retailers from the two distinctly different e-commerce markets. These may, for instance, be the size, level of education, or training of the firm's marketing team.

### **2.5.2 Managerial implications**

Our analysis offers several implications and suggestions for small e-retailers and policy makers in cross-border e-commerce. The results suggest that small e-retailers from both developed e-commerce markets and emerging e-commerce markets should prioritise and enhance their foreign market orientation within their firm's strategy. E-retailers can acquire knowledge of foreign markets and how to employ marketing tactics in these markets via numerous online resources, or make use of specialised agencies to overcome the challenges of foreign markets. E-retailers could further encourage employees to undertake international cultural training to develop intercultural competences (Bücker and Korzilius, 2015). Small e-retailers from developed e-commerce markets may even consider emphasising growth orientation within their firm's strategy. This may help these e-retailers pay more attention to the use of digital marketing tactics in foreign markets. Finally, small e-retailers from emerging e-commerce markets should avoid being overly customer-oriented, as this orientation is found to reduce the use of digital marketing tactics in foreign markets. For small e-retailers from emerging e-commerce markets, it would be better to focus on collecting information on foreign markets rather than striving for (too) high levels of customer satisfaction among foreign customers.

The empirical analysis also indicates that the greater the use of digital marketing tactics in foreign markets, the better the performance of the e-retailer in international markets. Surprisingly, 30% of the e-retailers in our sample do not conduct any digital marketing tactics in foreign markets.

For small e-retailers, it would be worthwhile to invest in skills and technical knowledge in using digital marketing tactics effectively (Lam and Harker, 2015; Taiminen and Karjaluo, 2015), which will help establish processes and routines that can support the burden of limited resources (Kraus et al., 2019). When digital marketing tactics are used, it is important for small e-retailers to employ a combination of multiple digital marketing tactics in foreign markets. Commonly used tactics such as search engine marketing (SEO and SEA) and social media marketing, could be expanded upon using digital marketing campaigns such as online advertising and affiliate marketing. In addition, routine monitoring of the effective use of various combination(s) of digital marketing tactics will further enable the e-retailer in determining which tactics may result in a high performance (Eggers et al., 2017; Leeflang et al., 2014).

This study includes businesses from 20 countries in Europe and the results should be of particular interest to European policy makers. Europe is one of the largest B2C e-commerce markets in the world, but it is also a complex market, due to the presence of various languages, cultures and regulations. Small e-retailers from this continent are heavily dependent on SME support programmes to enhance their digital proficiency (European Commission, 2020). Such support programmes should consider the type of e-commerce market from which the e-retailer originates when supporting smaller e-retailers in their activities across national borders.

### **2.5.3 Limitations and future research**

This study has limitations that provide possible interesting avenues for future research. First, the data-gathering mechanism could have resulted in bias being introduced into the sample, as the measures of international business performance used are perceptual in nature. Future research using independently gathered data on turnover, conversion rate and the numbers of recurring visitors to e-stores offers opportunities to test our model with different measures. Second, we do not explicitly measure which combinations of marketing tactics are most effective, nor do we measure the effectiveness of using digital marketing tactics for web analytics. In addition to the focus of our study, researchers may include the manner in which combinations of paid, owned and earned digital marketing tactics in cross-border e-commerce are used, in future research. Furthermore, in assessing the effectiveness of digital marketing tactics, it may be worth examining how small e-retailers can benefit from collecting market information using digital marketing tactics in foreign markets. It may then also be possible to investigate whether deployment of

digital tactics may in turn strengthen strategic orientations on foreign markets (Alford and Jones, 2020; Leeflang et al., 2014). Finally, there may be other factors that have an impact on the deployment of digital marketing tactics at a more advanced level. For instance, future research may include e-retailers that have outsourced their digital marketing tactics which can be undertaken by e-retailers from developed e-commerce markets to providers in emerging e-commerce markets.

## CHAPTER III

# The shifting contribution of consumer store and country perceptions to trust and purchase intentions at American and Chinese e-stores

### **Abstract**

Online shopping across national borders is growing. With consumers shopping in distant and distinct e-commerce markets, such as the United States (U.S.) and China, investigating what drives their purchases is essential. We examine how store values and country stereotypes impact consumers' trust in foreign electronic stores (e-stores). We demonstrate that this impact depends on the following two characteristics: (1) the country of purchase and (2) consumers' previous buying experience in these countries. We estimate our model using an extensive, cross-national survey of about 2,500 European consumers. The analysis reveals that consumers who have not recently purchased from either American or Chinese e-stores rely more on their cognitive perceptions of American e-stores—utilitarian shopping values and the country's stereotypical competence; by contrast, such consumers rely on their affective impressions of Chinese e-stores—hedonic shopping values and the country's stereotypical warmth. Following the initial purchase, these differences between American and Chinese e-stores become negligible. Understanding the determinants' relative contribution supports managers and policymakers in developing business strategies that promote cross-border e-commerce.

### 3.1 INTRODUCTION

Driven by the world's largest electronic commerce (e-commerce) markets (i.e., the United States [U.S.] and China), consumers have started purchasing more goods and services online from foreign electronic stores (e-stores; Statista, 2022a; Vantage Market Research, 2022)—either through a digital intermediary, such as marketplaces, or via private websites. In 2019, cross-border e-commerce grew twice as fast as domestic e-commerce, precipitating a 21% growth worldwide (Kuschel, 2020). In 2020, 40% of European consumers shopped online from foreign e-stores (Ecommerce Europe, 2021). In cross-border e-commerce, the Internet provides consumers access to various e-stores worldwide. Establishing relationships across national borders is challenging because geographical distance precipitates distorted communication, incompatible expectations, and less accurate information—merely because websites appear different in information, navigation, and visual design (Bartikowski and Singh, 2014; Cyr, 2008). Moreover, consumers face language barriers along with diverse cultural frameworks, norms, and values that can facilitate or hinder trust-building (Ertug et al., 2013; Fang et al., 2014). Cross-border e-commerce requires consumers to trust the foreign electronic retailer (e-retailer) to behave reliably and ensure that the product ordered is the same in terms of colour, form, and material as represented on the e-store website, and is delivered on time. However, previous research has demonstrated that faceless, intangible, and foreign transactions reduce people's inclination to participate in online shopping (Bartikowski and Singh, 2014; Beldad et al., 2010). This raises the following question: What drives consumers' decisions to trust and shop from a foreign e-store?

Consumers typically engage in cross-border relationships with companies or stores when they consider the cross-border offerings more attractive than domestic ones (Nijssen and Van Herk, 2009). The e-commerce literature has reported that consumers' consideration of e-stores depends on whether they derive value from consuming a store's goods (Chang and Tseng, 2013; Chiu et al., 2014; Gupta and Kim, 2010; Liu et al., 2020; Verhagen et al., 2019). In cross-border e-commerce, however, consumers are likely, at times, to be aware of foreign e-stores' country of origin. Well-known e-stores—e.g., Walmart, originally from the U.S., and AliExpress from China—mention their country of origin in their public communications, which external media also do (e.g., Globe-Newswire 2020). Prior studies have found that consumers consider the country of origin when making purchasing decisions about foreign products in physical stores (Chen et al., 2014; Diamantopoulos et al., 2017; Halkias et al., 2016). However, the international retailing literature has seemingly overlooked the possibility that both store values (from the e-commerce literature) and country of origin (from the international marketing literature) impact consumers' decision-making process in cross-border e-commerce. These insights are essential as consumers increasingly purchase from e-stores of countries that

they were previously not interested in or from countries where purchases were simply not possible.

This study expands the literature on shopping values (Chiu et al., 2014) and the Stereotype Content Model (SCM; Diamantopoulos et al., 2017; Fiske et al., 2002) by proposing and empirically testing a model of how store values (utilitarian and hedonic) and country stereotypes (warmth and competence) affect consumers' cross-border online trust and purchase intentions with respect to foreign e-stores. This study aims to answer the following question: What is the relative contribution of the perception of a foreign e-store and its associated country on consumers' perceptions of trusting it and making a purchase there? Globally, e-stores from the U.S. and China dominate cross-border shopping (Ecommerce Europe, 2021; International Post Corporation, 2019), covering markets that vary considerably in terms of language, culture, and politics (Tenzer et al., 2014; Usunier et al., 2017). Considering country differences is relevant because previous research has demonstrated that if a distinction exists between cognitive and affective antecedents, the dominance of impact on trust may differ depending on the degree of familiarity with a country (Ma et al., 2022). Additionally, cross-border e-commerce is a relatively new phenomenon (Zhu et al., 2019). Despite continually increasing, the number of consumers shopping online across borders is still considerably below that of domestic e-commerce (Ecommerce Europe 2021). International e-retailers, thus, face the fact both experienced and inexperienced consumers engage in cross-border e-commerce; experience in cross-border online shopping can change consumers' behaviour toward foreign providers (Zerbini et al., 2022). Hence, to capture the dynamics in the theory and practice of cross-border e-commerce, studies must include previous experience in the country of purchase as well as comparing different markets.

We are at the initial stage of understanding consumers' considerations when they purchase from foreign stores via the Internet; hence, we aim to make several contributions to the international retailing literature. First, existing e-commerce research has seemingly overlooked the potential of country-specific perceptions; moreover, country of origin research has not explicitly included Internet shopping. By combining insights on store values from the e-commerce literature (Chang and Tseng, 2013; Chiu et al., 2014) and country stereotypes from the international marketing literature (Diamantopoulos et al., 2017; Maher and Carter, 2011), we theorize that store values and country stereotypes significantly influence cross-border online trust and purchase intentions. Moreover, understanding the various determinants' relative contribution enables us to not only better support managers and policymakers in developing business strategies promoting cross-border e-commerce but also help domestic e-commerce providers protect their position from foreign competition. Second, we follow the calls of Zerbini et al. (2022) and Ma et al. (2022), who recognized the relevance of consumers' prior purchase experiences in other countries. Similar to experience with the country of purchase, previous trans-

action experience with an e-store from that country influences the relationship between attitudes and behaviour. When a foreign e-store activates a consumer's perceptions about a country, it influences their trust formation and purchase intentions.

We examine considerations of store values and country stereotypes for e-stores from the U.S. and China. Our study theoretically clarifies the ambiguities surrounding consumers' online behaviour across borders in distant and different countries by drawing on the available insights from established research streams. Our comparative approach could advance future theoretical developments and help researchers better utilize the relevant international marketing constructs at hand.

### **3.2 THEORETICAL BACKGROUND**

We examine constructs from the literature on e-commerce and country of origin to understand European consumers' considerations when purchasing foreign products from e-stores in the U.S. and China. Consumers browse online for products and services that offer value (Chiu et al., 2014). Marketing scholars have suggested that consumers engage in retail shopping because they are induced by both utilitarian and hedonic values (Babin et al., 1994). In the e-commerce literature, consumers' perceived online store values are described as the trade-off between consumers' benefits and sacrifices when using the Internet for shopping, and are linked to retail-shopping-related outcomes, such as satisfaction, word of mouth, loyalty, store preferences, and purchase intentions (Chang and Tseng, 2013; Chiu et al., 2012; Jones et al., 2006; Overby and Lee, 2006; Verhagen et al., 2019; Vieira et al., 2018). Consumers consider multiple dimensions of store value when shopping online, such as usefulness and enjoyment, which they acknowledge as important benefits of the online store as a shopping system (Kim et al., 2007). Furthermore, in line with motivation theory, we consider that consumers derive value from both cognitive and affective processing mechanisms to form perceptions regarding convenience and pleasure, which they use to determine an online store's value (Gupta and Kim, 2010). Thus, convenience relates to utilitarian store values, thereby reflecting the overall evaluation of the expected utility of shopping via the Internet—such as economic value, monetary savings, or enhanced convenience and access—and allowing consumers to discover the products they seek (Batra and Ahtola, 1991; Scarpi, 2012); meanwhile, pleasure relates to the hedonic value, which focuses on fun, playfulness, and enjoyment, emphasizing entertainment purposes and non-routine experiences that absorb consumers and allow them to “get away from it all” (Babin et al., 1994; Liu et al., 2020). Retailers can use both hedonic and utilitarian store values to design their stores based on recreational and functional consumer motivational orientation (Childers et al., 2001; Kaltcheva and Weitz, 2006; Scarpi, 2012); furthermore, they can analyse the characteristics of their products

and advertising based on hedonic and utilitarian product characteristics (Lim and Ang, 2008; Okada, 2005). Customers prefer conducting transactions at e-stores with maximal utilitarian and hedonic value (Gupta and Kim, 2010).

Along with values related to the e-store, research within the international marketing literature has suggested that country-related perceptions also influence online shopping across borders. Studies on the country of origin of products have revealed how perceptions regarding a country affect consumers' willingness to purchase foreign products from domestic stores (Diamantopoulos et al., 2017; Oberecker and Diamantopoulos, 2011; Verlegh and Steenkamp, 1999). Country-related information influences consumers' product quality evaluations, risk perceptions, purchase intentions, and willingness to pay (Zeugner-Roth, 2017); moreover, people socially categorize countries based on stereotypes. Stereotypes are an oversimplified and generalized set of beliefs based on assumptions regarding certain countries—formed either directly through experience or indirectly through exposure to information concerning some typical characteristics of that country (Diamantopoulos et al., 2017; Ertug et al., 2013). The Stereotype Content Model focuses on understanding people's categorization of countries and captures the potential for country-based stereotypes. The SCM is a seemingly useful theoretical framework for qualifying consumers' beliefs regarding countries. It reveals that consumers systematically organize their stereotypical beliefs concerning any country along the following two fundamental and independent dimensions: competence and warmth (Cuddy et al., 2008; Diamantopoulos et al., 2017; Maher and Carter, 2011). The competence dimension represents beliefs regarding the country's capabilities and efficiency, and the warmth dimension captures thoughts concerning how friendly or benevolent a particular country is perceived as being (Cuddy et al., 2008; Fiske et al., 2002). The more the consumers characterize a country with high warmth or competence levels, the more positive their reactions regarding the products originating from that country (Chen et al., 2014; Maher and Carter, 2011). Prior research has established the importance of store values in domestic online shopping behaviour and country stereotypes when assessing foreign products purchased from domestic stores. To our knowledge, no previous study has combined the two determinants to understand purchasing behaviour in foreign e-stores—despite both being potentially highly relevant (see Table 3.1 for exemplary studies in these areas).



**Table 3.1** Study positioning: with respect to exemplary papers on store values, country stereotypes, and their geographic context

Articles	Antecedents		Geographical context			
	Store values	Country stereotypes	Domestic products	Foreign products	Domestic (e-)stores	Foreign e-stores
Chang and Tseng, 2013; Chiu et al., 2012; Chiu et al., 2014; Jones et al., 2006; Overby and Lee, 2006	✓		✓		✓	
Chen et al., 2014; Diamantopoulos et al., 2017; Halkias et al., 2016; Maher and Carter, 2011		✓		✓	✓	
Our study	✓	✓				✓

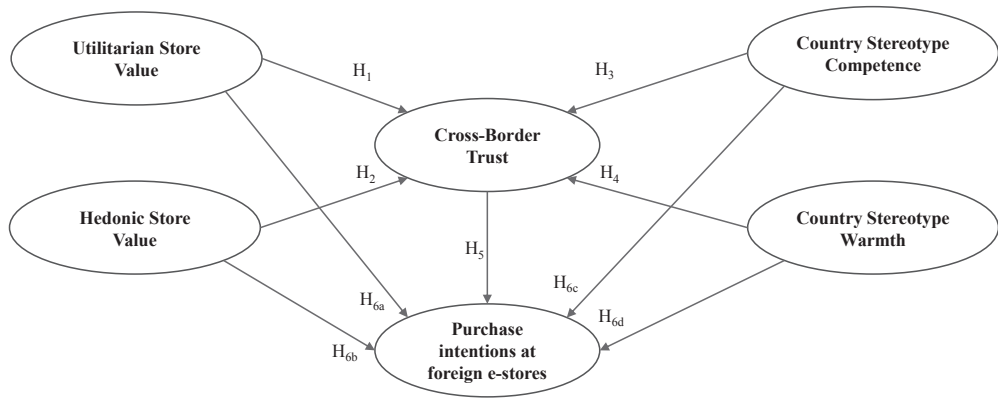
In a cross-border e-commerce context, we consider store values and country stereotypes as antecedents of trust in a foreign e-store. We expand the literature on cross-border shopping, wherein trust is central to understanding consumers’ purchase behaviour across national borders (Bartikowski and Singh, 2014; Jiménez and San Martín, 2010; Nijssen and Van Herk, 2009). In cross-border shopping, consumers deal with providers from other countries who are unfamiliar to them and not part of their in-group. This “strangeness” may be perceived when conducting business with a foreign provider for the first time (Delhey et al., 2011). Consumers may feel less confident when dealing with a foreign provider than a domestic one and must trust the foreign provider to complete a purchase. This reasoning fits the well-established definition of trust from Mayer et al. (1995): the willingness of one party to be vulnerable to the actions of another party, with the expectation that the latter will perform some action, even if the former cannot monitor or control it. The consumers’ dilemma is that they must entrust their personal information to an e-store known only through images displayed on a computer screen. Consumers’ trust in a foreign e-store—compared to that in a domestic e-store—is not only significantly lower (Bartikowski and Singh, 2014) but also more complex to establish (Cyr, 2008; Valarezo et al., 2018). Foreign e-stores’ websites differ considerably across countries in terms of language, layout, navigation, and colour use due to varied local cultures and customs (Baack and Singh, 2007; Cyr, 2008; 2013). Establishing trust across countries can be challenging due to distorted communications, incongruent expectations, inaccurate understanding, or simply because websites appear different (Couper et al., 2020; Tenzer et al., 2014; Valarezo et al., 2018). Furthermore, cross-border consumers may face language barriers and distinct cultural frameworks, norms, and values that facilitate or hinder trust-building (Usunier et al., 2017). Therefore, we consider consumer trust a key factor in cross-border online transactions.

By focusing on the relationship between store values, country stereotypes, trust, and, subsequently, purchase intentions, we gain insight into cross-border e-commerce. Nevertheless, we still lack the refinement of the contemporary international context with respect to two prominent facets as follows: First, the literature on domestic e-commerce indicates that online shopping experience alters the effects of antecedents on trust and purchase intentions (Bart et al., 2005; Beldad et al., 2010). Perceptions inducing individuals to buy online for the first time differ from those exhibiting repurchasing behaviour (Chiu et al., 2012; Fang et al., 2014; Hernández et al., 2010). Second, while examining trust and purchase intentions in cross-border e-commerce, comparing the world's two largest e-commerce markets that involve cross-border shopping is imperative (i.e., the U.S. and China). From a Western European country's perspective, both the U.S. and China are geographically distant from the consumer's home country. Despite the similar geographical distance, consumers from Western Europe are more familiar with the U.S. than with China. The U.S. significantly contributed to reviving Western Europe during the post-World War II decades (Hogan, 1989). This influence ingrained American culture in Western European nations through the introduction of American products, movies, and music, and compulsory English courses in secondary education (Nolan, 2012). By contrast, China is an emerging nation that has only recently gained prominence as a goods supplier. People in Western Europe are expectedly less familiar with China because their exposure to the country has been limited to Chinese immigrants and businesses. Western consumers consider Chinese culture more exotic and unique due to their limited knowledge about China as a country, as well as the large differences in language, customs, and habits (Benton and Pieke, 2016). These different histories may have aligned people from Western Europe to hold greater positive feelings toward the U.S. than toward China (Pew Research Center, 2019). Evaluating the potential differences in attitudes and behaviours toward American and Chinese e-stores is especially interesting as the U.S. and China are two world powers with different geopolitical agendas (Flint 2021) which have been presented to the public via the media (Standage, 2021).

To address our research question in the contemporary context of cross-border e-commerce, we (1) empirically theorize and assess the effects of e-store values and country values on consumers' online cross-border trust and purchase intentions, (2) assess these effects when there is no experience versus a recent experience in the country of purchase, and (3) compare the overall model for cross-border consumers who shop via the Internet from e-stores in the U.S. and China. Accordingly, we propose a multigroup approach (i.e., inexperienced vs. experienced, and e-stores from the U.S. vs. China) in our model, wherein cross-border trust is a complementary mediator (Zhao et al., 2010) between store values, country stereotypes, and purchase intentions (see Figure 3.1).

### 3.2.1 Store values and cross-border online trust

Generally, to proceed with an online transaction, consumers must believe that the e-retailer has the ability and motivation to reliably deliver goods and services of the expected quality (Jarvenpaa et al., 2000). In cross-border e-commerce, trusting the e-retailer applies even more when buying from a distant foreign e-store (Bartikowski and Singh, 2014).



**Figure 3.1** Conceptual model of the hypotheses

The consumer needs online trust; that is, the expectation that e-retailers will not behave opportunistically and abuse the situation (Beatty et al., 2011; Gefen et al., 2003), and the belief that the trusted party will fulfil its obligations despite the trusting party's dependence and vulnerability (Mayer et al., 1995). In gaining online trust, both utilitarian and hedonic store values are important. Utilitarian store values represent a store's rational and task-related characteristics (Babin et al., 1994; Batra and Ahtola, 1991). The e-retailer should fulfil these to allow the consumer to receive the expected products (Beldad et al., 2010). The consumers' belief that the foreign e-store will fulfil their expectations regarding the right product is likely to enhance their cross-border online trust in that store (Zhu et al., 2019). In cross-border e-commerce, the role of hedonic store value may be twofold. The meta-analysis by Beatty et al. (2011) demonstrated that the enjoyment of online shopping precipitates higher trust perceptions; moreover, Jarvenpaa et al. (2000) suggested that individual shoppers may take uncertainty for granted if they find shopping fun and exciting. These findings suggest that consumers are more likely to trust an e-store when it elicits pleasurable feelings. Similarly, when consumers are focused on receiving the "right" product and are under the impression that a foreign e-store can provide it, they may believe the cross-border e-retailer is competent and will act in their best interests. Therefore, we expect that consumers are more likely to trust a foreign

e-store offering them the products they seek or when a foreign e-store induces a sense of fun.

This study examines the perceptions of store values among people from Western Europe for the two largest e-commerce markets worldwide: the U.S. and China. Generally, citizens in Western Europe exhibit greater positive attitudes toward the U.S. than toward China (Pew Research Center, 2019). Drawing on affect theory, such a difference in perspectives acts as a boundary condition to uncover the underlying mechanism of consumer reactions to foreign products (Ma et al., 2022). Affect theory suggests that when feelings and thoughts diverge, individuals determine their general attitudes, and attitude-related behaviour typically relies more on their affective reactions to an attitude object than on their cognitive responses (Zajonc, 1980). Extending this reasoning to our study implies that European consumers are likely to lean more toward cognitive perceptions of store values with respect to e-stores from the U.S. but more toward their affective perceptions of e-stores from China. Consequently, we hypothesize as follows:

*H1: Utilitarian store values enhance cross-border online trust; this effect is more substantial for European consumers shopping at American than at Chinese e-stores.*

*H2: Hedonic store values enhance cross-border online trust; this effect is more substantial for European consumers shopping at Chinese than at American e-stores.*

### **3.2.2 Country stereotypes and cross-border online trust**

Along with e-store values, the consumer's perception of the country where the foreign e-store is located may be another critical factor affecting consumer trust. Individuals associate different countries and their inhabitants with specific attributes, and intuitively transmit these attributes to their perceptions of products from these countries (Maheswaran, 1994). Maher and Carter (2011) demonstrated that judgments of a country's warmth and competence increase consumers' feelings of admiration toward a specific country of origin and positively associate these feelings with the willingness to purchase products from that country. A country characterized by high warmth or high competence evokes greater positive consumer responses toward brands and products representing that country (Chen et al., 2014; Halkias et al., 2016). The country provides a social categorization that consumers use to determine the extent to which they can trust people and firms from that country (Ertug et al., 2013; Michaelis et al., 2008). Specifically, Jiménez and San Martín (2010) found that a firm's reputation—associated with perceptions of the firm's country of origin—positively impacts consumer trust. In line with these findings, we argue that competency judgments regarding the country of origin affect perceptions of the e-stores'

abilities (Kervyn et al., 2012) and, consequently, trust in a foreign e-store. In contrast to the competence stereotype, which is related to beliefs regarding countries' capabilities, the warmth stereotype is related to emotional factors. Consumers closely associate warmth with their belief that the people from a particular country exhibit benevolent intentions toward foreigners (Cuddy et al., 2008; Fiske et al., 2002). When people identify a foreign e-store as belonging more to their in-group, they may perceive it as possessing greater competence and warmth and, therefore, may be more likely to trust it (Foddy et al., 2009). As with store values, we expect that European consumers—owing to their historically closer ties to the U.S. than China—are more likely to consider their cognitive and affective perceptions when it comes to their trust in American and Chinese e-stores, respectively. Consequently, we propose the following hypotheses:

*H3: Country stereotype competence enhances cross-border online trust; this effect is more substantial for European consumers shopping at American than at Chinese e-stores.*

*H4: Country stereotype warmth enhances cross-border online trust; this effect is more substantial for European consumers shopping at American than at Chinese e-stores.*

### **3.2.3 Cross-border online trust and purchase intentions**

As in other commercial activities, interaction with an e-retailer requires the online consumer to manage the social complexity embedded in the exchange (Kim and Peterson, 2017). Trust is, generally, a significant antecedent of participation in commerce and even more so in online settings due to the potential chance and ease of e-retailers behaving opportunistically (Beldad et al., 2010). Trust helps consumers reduce the social complexity of e-commerce by allowing them to rule out e-retailer's undesirable yet possible behaviours subjectively (Beatty et al., 2011). The relationship between online trust and purchase intention has been established numerous times (e.g. Beatty et al., 2011; Gefen et al., 2003; Jarvenpaa et al., 2000); however, we do not yet know whether this effect differs when distant and distinct markets, such as the U.S. and China, are involved. However, research on cross-border trust between suppliers and buyers has indeed asserted that the country where the exchange occurs influences the trust between exchange partners (Zaheer and Kamal, 2011). If trust in a particular country is low, the trust in exchange partners from that country is also low (Ertug et al., 2013). To achieve the same purchase intention level, lower trust levels necessitate a stronger relationship between trust and purchase intentions. As Europeans are closer to the U.S. than to China, we expect less trust toward the latter (c.f. Pew Research Center, 2019). Accordingly, we hypothesize as follows:

*H5: Cross-border online trust increases purchase intentions in foreign e-stores; this effect is stronger for European consumers shopping in Chinese than in American e-stores.*

### **3.2.4 Role of experience**

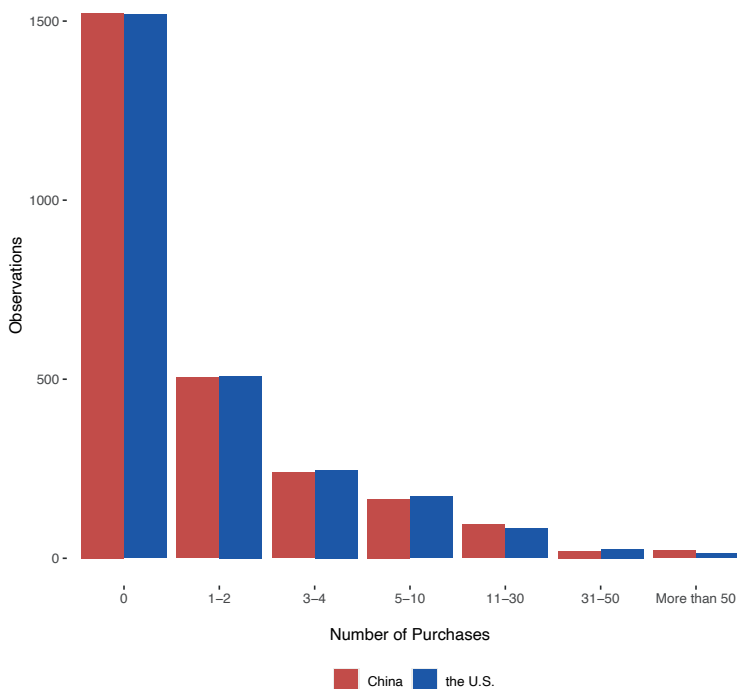
Despite its continual proliferation, cross-border e-commerce is still in its infancy compared to domestic e-commerce (Ecommerce Europe, 2021; Kuschel, 2020). Consequently, international retailers manage both consumers who have experience with cross-border online shopping in foreign countries and those who do not. Trust in e-commerce is critical for both first-time purchases (Chen and Barnes, 2007) and repurchases (Chiu et al., 2014). In their first online purchase, consumers must trust the e-store to behave in a socially suitable manner (Gefen et al., 2003). However, after the initial purchase, trusting the e-store is considered more of a threshold or hygiene factor, which loses momentum in influencing behaviour after the first use (Chiu et al., 2012; Fang et al., 2014). This can also happen in cross-border e-commerce; once a consumer has experienced that a foreign e-trader is trustworthy, this experience may cause trust to become a less critical factor in subsequent purchases. This line of reasoning resonates well with prior research on country stereotypes' effect on the evaluation of foreign products. For example, Chattalas et al. (2008) found that the impact of country stereotypes' perceived competence and warmth dimensions on product evaluations decreases as experience increases. Transposing these findings to our research would imply that in the absence of shopping experience at e-stores of a specific country, trust expectedly plays a more significant role for consumers than after they gain experience. In the cross-border e-commerce setting, this may suggest that after gaining shopping experience at a country's e-stores, the role of trust is relatively minor. Subsequently, the antecedents (i.e., store values and country stereotypes) can directly influence purchase intentions at the same—or other—e-stores from that country, thus reducing the effect of trust. Therefore, we hypothesize as follows:

*H6: Once consumers gain experience, the increase in purchase intentions owing to (a) utilitarian and (b) hedonic store values, and (c) country-based stereotypical competence and (d) warmth will be stronger when direct and less strong when indirect, that is, via trust.*

### 3.3 METHODS

#### 3.3.1 Sample and data collection

The global market research agency Dynata operates consumer panels worldwide. Our sample comprised 2,569 consumers who were panellists in the United Kingdom, Germany, and France during autumn 2018. Each of these countries demonstrated high Internet penetration (>94%) and the highest spending on online products within the European Union in 2019 (Statista, 2019b; 2022b); hereafter, we refer to them collectively as the European consumers. The questionnaire was written in English and translated into German and French, following the standards of the Committee Approach (Harkness et al., 2004). Respondents should have ordered at least one product online in the previous 12 months to qualify for the survey. The questionnaire first asked about actual buying experience at local, American, Chinese, and other foreign e-stores. See Figure 3.2 for respondents' buying experience at American and Chinese e-stores. Then, half of the respondents were asked questions about American e-stores, and the other half were asked questions about Chinese e-stores. The respondents were explicitly informed that answering the questions did not require actual shopping experience at American or Chinese e-stores but rather the perception of such e-stores. A total of 1,289 respondents



**Figure 3.2** Number of online purchases respondents made at e-stores in the U.S. and China

answered questions regarding the U.S. and American e-stores (henceforth, the U.S. study), and 1,280 respondents responded to questions regarding China and Chinese e-stores (henceforth, the China study). We assessed the two samples' comparability in terms of gender and age and found no significant differences. The samples' average age was 45 years ( $SD = 15.28$ ), and 54% of the respondents were women. Concerning the number of purchases in the prior 12 months, we found barely any differences between the U.S. and China (Figure 3.2,  $\chi^2_{(6)} = 0.34, p = 0.99$ ).

### 3.3.2 Research questionnaire and measures

We used reflective five-point multi-item scales to measure the independent variables. For utilitarian online store value, we used items suggested by Chang and Tseng (2013), Guido et al. (2015), and Overby and Lee (2006). For hedonic online store value, the items were derived from Chang and Tseng (2013) and Huang (2005). We adopted the scales for country stereotypes, competence, and warmth from Diamantopoulos et al. (2017). We operationalized cross-border online trust in line with relevant domestic e-commerce studies citing trust (Doney et al., 1998; Gefen et al., 2003; Jarvenpaa et al., 2000). Finally, we asked the respondents to indicate the number of online purchases (domestic, in the U.S., in China, and other countries) they had conducted in the last 12 months, which we then used as a proxy for experience in the country of purchase (coded with 0 for "no experience" and 1 for "experience", the latter indicating respondents in the U.S. study had purchased at least once in the last 12 months from American e-stores, and in the China study from Chinese e-stores). Furthermore, we used previous purchases at e-stores in the U.S. and China as a proxy for familiarity with the country of purchase.

Following the recommendations of Hulland et al. (2018), we conducted a pre-test of the survey design's quality among 66 Dutch students, which confirmed that the questionnaire worked as anticipated. To minimize the potential for common method bias in self-reported data, we followed Hulland et al. (2018) approach. We organized the questionnaire such that respondents were unaware of the conceptual framework, and randomized the order of items for each construct included in the survey.

## 3.4 RESULTS

### 3.4.1 Common method variance and invariance testing

We tested for common method variance across six groups (i.e., three countries, two questionnaires each) using a measure for net acquiescence response style (NARS), comprising a heterogeneous set of 21 items (Baumgartner and Weijters, 2021). We performed a multigroup confirmatory factor analysis using the lavaan package in R (Rosseel, 2012), starting with a series of models wherein we imposed no variance



**Table 3.2** Invariance tests

	$\chi^2$	DF	RMSEA	CFI	TLI	SRMR	BIC	$\Delta\chi^2$	D.F.	p-Value
M1 Baseline model with no effect of NARS on items	5,727.96	1428	0.08	0.92	0.91	0.15	124,626.39			
M2 Model with unequal effect of NARS on items	3,192.98	1308	0.06	0.97	0.96	0.03	123,055.57			
M3 Model with equal effect of NARS on items (configural)	3,513.44	1427	0.06	0.96	0.96	0.04	122,419.73			
M4 Model with invariant loadings across countries (metric)	3,641.98	1512	0.06	0.96	0.96	0.04	121,88.97			
Full metric invariance test comparing M3 and M4								128.53	85	<0.01
M4A Model with partial invariant loadings across countries	3,59.53	1487	0.96	0.96	0.96	0.04	122,025.75			
Partial metric invariance test comparing M3 and M4a								77.08	60	0.07
M5 Model with invariant intercepts across countries	4,873.21	1577	0.07	0.94	0.94	0.05	122,601.80			
Scalar invariance test comparing M4A and M5								1282.70	90	<0.01

Note: RMSEA, root mean square error of approximation; CFI, comparative fit index; TLI, Tucker-Lewis index; SRMR, standardized root mean square residual; BIC, Bayesian information criterion; NARS, net acquiescence response style

**Table 3.3** Measurement scales and reliability statistics

Constructs and measurement items	U.S. study				China study							
	$\lambda$	$\alpha$	CR	AVE	M	(S.D.)	$\lambda$	$\alpha$	CR	AVE	M	(S.D.)
<b>Utilitarian store value</b>												
At online stores from the U.S./China:												
1-I can find the product(s) I am looking for.	0.81	0.90	0.91	0.70	3.43	0.85	0.81	0.89	0.89	0.66	3.52	0.89
2-I can find products at a good economic value.	0.85						0.79					
3-I can find products at the right price level, given their quality.	0.87						0.82					
4-I can find products that can be considered a good buy.	0.83						0.83					

Table 3.3 Continued

<b>Hedonic store value</b>											
Online stores from the U.S./China seem ____ to me:											
1-fun	0.90	0.92	0.92	0.75	3.31	0.90	0.93	0.93	0.77	3.10	0.96
2-exciting	0.84						0.92				
3-entertaining	0.87						0.84				
4-enjoyable	0.88						0.87				
							0.89				
<b>Country stereotype competence</b>											
1-The attribute "capable" describes the U.S./China well.	0.84	0.90	0.90	0.70	3.40	0.85	0.89	0.89	0.68	3.65	0.77
2-The attribute "competent" describes the U.S./China well.	0.89						0.88				
3-The attribute "efficient" describes the U.S./China well.	0.82						0.82				
4-The attribute "intelligent" describes the U.S./China well.	0.80						0.82				
<b>Country stereotype warmth</b>											
1-The attribute "friendly" describes the U.S./China well.	0.87	0.91	0.91	0.72	3.17	0.93	0.90	0.90	0.70	3.20	0.87
2-The attribute "good-natured" describes the U.S./China well.	0.81						0.85				
3-The attribute "kind" describes the U.S./China well.	0.84						0.81				
4-The attribute "warm" describes the U.S./China well.	0.88						0.85				
							0.85				
<b>Cross-border online trust</b>											
Online stores from the U.S./China are:											
1-dependable	0.89	0.93	0.93	0.78	3.31	0.83	0.94	0.95	0.81	2.85	0.96
2-reliable	0.90						0.90				
3-honest	0.87						0.92				
4-trustworthy	0.87						0.88				
							0.90				
<b>Purchase intentions</b>											
What is the likelihood that you will:											
1-buy at online stores from the U.S./China.	0.94	0.93	0.93	0.82	3.08	1.09	0.95	0.95	0.87	2.88	1.20
2-buy at online stores from the U.S./China the next time you need products.	0.87						0.97				
3-try shopping from online stores based in the U.S./China.	0.90						0.90				

Note: Response format: five-point Likert scales, with response anchors from 1 = "strongly disagree" to 5 = "strongly agree" for utilitarian store value, hedonic store value, country stereotype competence, country stereotype warmth, and cross-border online trust. Response format: five-point Likert scale, with response anchors from 1 = "very unlikely" to 5 = "very likely" for purchase intentions. CR, composite reliability; AVE, average variance extracted; S.D., standard deviation.

constraints across countries (Models M1–M3; Table 3.2). Subsequently, we imposed measurement invariance constraints across the six groups (Models M4, M4A, M5). We found partial metric invariance<sup>5</sup> but not (partial) scalar invariance. Finally, we used Model 4 to report the constructs' psychometric properties for the U.S. and China studies, all of which exhibited convergent and discriminant validity (for reliability statistics, see Table 3.3).

### 3.4.2 Structural equation model

To test the hypotheses, we conducted structural equation modelling using a multi-group approach (Kline 2015): inexperienced U.S. study, inexperienced China study, experienced U.S. study, and experienced China study. The structural model's estimation (Tables 3.4A and 3.4B) revealed a good fit overall ( $\chi^2 = 2,656.59$ ,  $DF = 949$ , root mean square error of approximation [RMSEA] = 0.05, comparative fit index [CFI] = 0.97, Tucker-Lewis index [TLI] = 0.96, standardized root mean square residual [SRMR] = 0.04). Utilitarian store value significantly positively affected cross-border online trust in all groups—inexperienced (U.S. study:  $b = 0.33$ ,  $p < 0.01$ ; China study:  $b = 0.12$ ,  $p < 0.05$ ) and experienced (U.S. study:  $b = 0.26$ ,  $p < 0.01$ ; China study:  $b = 0.29$ ,  $p < 0.05$ ). Thus, we found full support for Hypothesis 1, with the effect in the U.S. study being stronger than in the China study for the inexperienced group. We observed no such difference for the experienced consumers.

By comparison, for hedonic store values, we found significant effects in all groups—inexperienced (U.S. study:  $b = 0.17$ ,  $p < 0.01$ ; China study:  $b = 0.44$ ,  $p < 0.01$ ) and experienced (U.S. study:  $b = 0.31$ ,  $p < 0.01$ ; China study:  $b = 0.27$ ,  $p < 0.01$ ). Moreover, we found full support for Hypothesis 2, with the effect in the China study being stronger than in the U.S. study for the inexperienced group. We observed no such difference for the experienced consumers.

Our model demonstrated that country stereotype competence positively affected trust in the case of inexperienced consumers and when the country of purchase is the U.S. ( $b = 0.32$ ,  $p < 0.01$ ); however, this effect was not observed in the case of China ( $b = 0.10$ ,  $p = 0.83$ ) or when experienced consumers were considered (U.S. study:  $b = 0.10$ ,  $p = 0.16$ ; China study:  $b = 0.14$ ,  $p = 0.06$ ). Thus, we found partial support for Hypothesis 3 because the effect for the inexperienced consumers in the U.S. study was stronger than that in the China study. By contrast, country stereotype warmth exhibited no significant effect on trust for inexperienced online shoppers in the U.S. study ( $b = 0.05$ ,  $p = 0.21$ ); however, it exhibited a positive, significant effect for inexperienced online shoppers in

---

5 Five of the 23 loadings are not invariant: item 2 of utilitarian store value, item 2 of hedonic store value, item 2 of country stereotype competence, item 4 of country stereotype warmth, and item 3 of trust (see Table 3.3 for the corresponding item numbers).

the China study ( $b = 0.25, p < 0.01$ ) and for experienced online shoppers in both studies (U.S. study:  $b = 0.19, p < 0.01$ ; China study:  $b = 0.22, p < 0.01$ ). Therefore, we found only partial support for Hypothesis 4.

Furthermore, we observed positive, significant effects in all groups for the relationship between cross-border online trust and purchase intentions—inexperienced (U.S. study:  $b = 0.30, p < 0.01$ ; China study:  $b = 0.43, p < 0.01$ ) and experienced (U.S. study:  $b = 0.21, p < 0.01$ ; China study:  $b = 0.33, p < 0.01$ ). Thus, we found support for Hypothesis 5 because the effect in the China study is stronger than that in the U.S. study. Figure 3.3 depicts a comparison of the aforementioned five effects across the four groups.

**Table 3.4A** Model estimations for inexperienced consumers

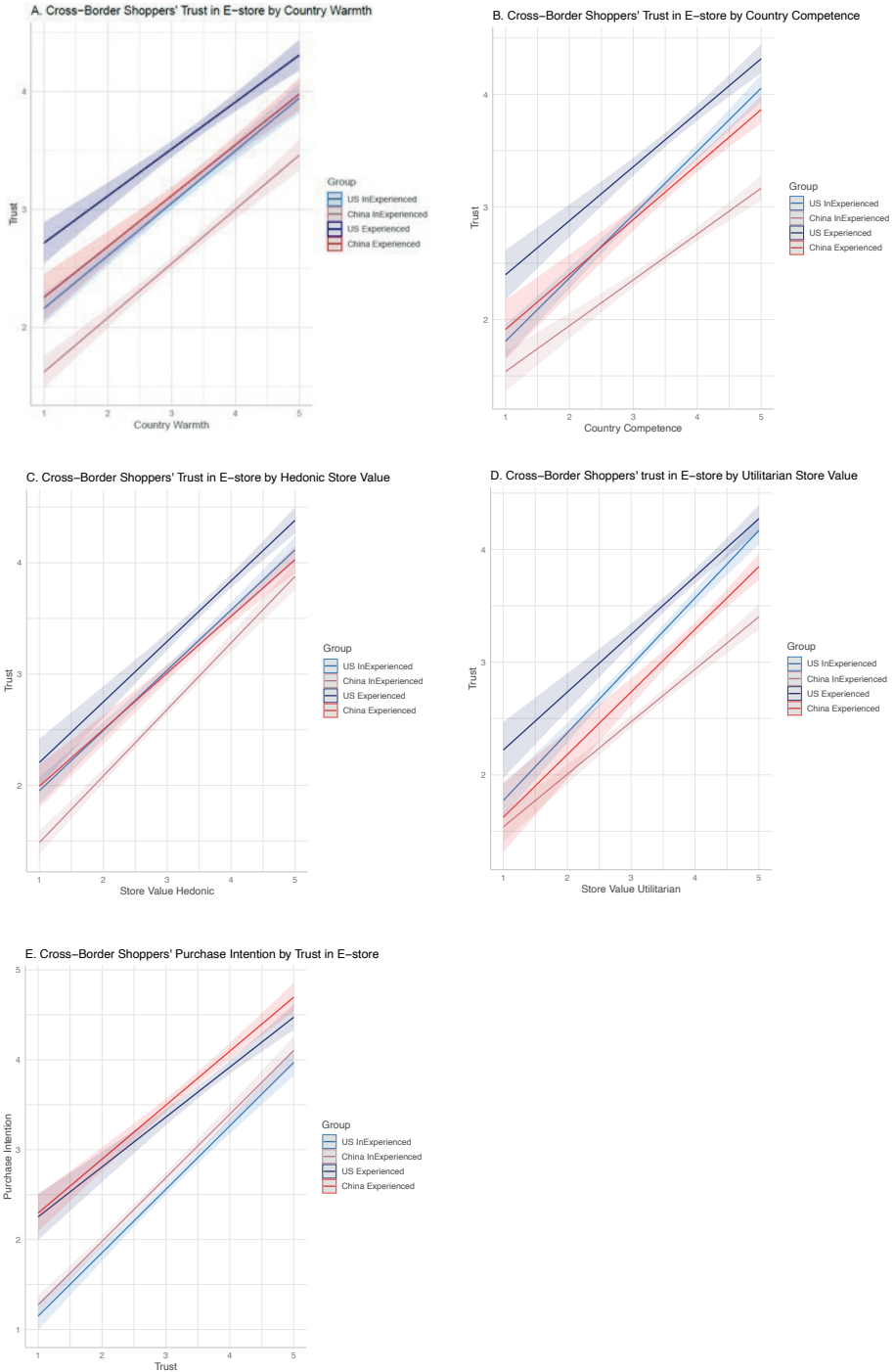
Relationships	Inexperienced					
	U.S. study			China study		
	b(S.E.)	p	[CI]	b(S.E.)	p	[CI]
<b>Direct effects</b>						
SVutilitarian → Trust	<b>0.33</b> (0.05)	<0.01	[0.24,0.42]	<b>0.12</b> (0.05)	<0.05	[0.02,0.22]
SVhedonic → Trust	<b>0.17</b> (0.04)	<0.01	[0.09,0.25]	<b>0.44</b> (0.04)	<0.01	[0.36,0.53]
CScompetence → Trust	<b>0.32</b> (0.04)	<0.01	[0.24,0.41]	0.10 (0.05)	0.83	[-0.09,0.11]
CSwarmth → Trust	0.05 (0.04)	0.21	[-0.03,0.12]	<b>0.25</b> (0.05)	<0.01	[0.16,0.34]
Trust → Pintentions	<b>0.30</b> (0.06)	<0.01	[-.17,0.42]	<b>0.43</b> (0.04)	<0.01	[0.34,0.52]
SVutilitarian → Pintentions	<b>0.26</b> (0.07)	<0.01	[0.11,0.40]	<b>0.14</b> (0.06)	<0.05	[0.03,0.25]
SVhedonic → Pintentions	<b>0.24</b> (0.06)	<0.01	[0.12,0.35]	<b>0.33</b> (0.05)	<0.01	[0.22,0.43]
CScompetence → Pintentions	0.05 (0.07)	0.44	[-0.08,0.18]	0.04 (0.06)	0.41	[-0.06,0.16]
CSwarmth → Pintentions	<b>0.16</b> (0.06)	<0.01	[0.05,0.27]	0.10 (0.05)	0.06	[-0.00,0.20]
<b>Indirect Effects</b>						
SVutilitarian → ... → Pintentions	0.10 (0.04)	0.02	[0.02,0.17]	<b>0.05</b> (0.02)	<0.05	[0.01,0.10]
SVhedonic → ... → Pintentions	<b>0.05</b> (0.02)	<0.01	[0.02,0.08]	<b>0.19</b> (0.03)	<0.01	[0.14,0.25]
CScompetence → ... → Pintentions	<b>0.10</b> (0.02)	<0.01	[0.05,0.14]	0.00 (0.02)	0.83	[-0.04,0.05]
CSwarmth → ... → Pintentions	0.01 (0.01)	0.23	[-0.01,0.04]	<b>0.11</b> (0.02)	<0.01	[0.06,0.15]
N	749			784		
Adjusted R <sup>2</sup> Trust	0.57			0.44		
Adjusted R <sup>2</sup> Pintentions	0.44			0.49		

Notes: We controlled the model for common method bias using the NARS variable. All reported coefficients are unstandardized. Statistically significant coefficients ( $p < 0.05$ ) are highlighted in boldface. The reported 95% confidence intervals (CI) are based on 1,000 resamples. SVutilitarian = utilitarian store values, SVhedonic = hedonic store values, CScognition = country stereotype cognition, Pintentions = purchase intentions, CSwarmth = country stereotype warmth.

**Table 3.4B** Model estimations for experienced consumers

Relationships	Experienced					
	U.S. study			China study		
	b(S.E.)	p	[CI]	b(S.E.)	p	[CI]
<b>Direct effects</b>						
SVutilitarian -> Trust	<b>0.26</b> (0.06)	<0.01	[0.14,0.37]	<b>0.29</b> (0.11)	<0.05	[0.07,0.51]
SVhedonic -> Trust	<b>0.31</b> (0.07)	<0.01	[0.20,0.42]	<b>0.27</b> (0.07)	<0.01	[0.13,0.40]
CScompetence -> Trust	0.10 (0.02)	0.16	[-0.04,0.25]	0.14 (0.08)	0.06	[-0.09,0.11]
C Swarmth -> Trust	<b>0.19</b> (0.05)	<0.01	[0.09,0.30]	<b>0.22</b> (0.06)	<0.01	[0.16,0.34]
Trust -> Pintentions	<b>0.21</b> (0.07)	<0.01	[0.08,0.34]	<b>0.33</b> (0.05)	<0.01	[0.22,0.43]
SVutilitarian -> Pintentions	<b>0.34</b> (0.07)	<0.01	[0.20,0.47]	<b>0.49</b> (0.12)	<0.01	[0.27,0.72]
SVhedonic -> Pintentions	<b>0.22</b> (0.07)	<0.01	[0.09,0.34]	<b>0.16</b> (0.07)	<0.05	[0.03,0.30]
CScompetence -> Pintentions	<b>0.20</b> (0.08)	<0.05	[0.04,0.36]	<b>0.30</b> (0.08)	<0.01	[0.15,0.45]
C Swarmth -> Pintentions	-0.01 (0.06)	0.87	[-0.13,0.11]	-0.06 (0.06)	0.31	[-0.18,0.06]
<b>Indirect Effects</b>						
SVutilitarian -> ... -> Pintentions	<b>0.05</b> (0.02)	<0.01	[0.01,0.09]	<b>0.10</b> (0.04)	<0.05	[0.02,0.17]
SVhedonic -> ... -> Pintentions	<b>0.07</b> (0.02)	<0.01	[0.02,0.11]	<b>0.09</b> (0.03)	<0.01	[0.03,0.14]
CScompetence -> ... -> Pintentions	0.02 (0.02)	0.20	[-0.01,0.05]	0.05 (0.03)	0.08	[-0.00,0.10]
C Swarmth -> ... -> Pintentions	<b>0.04</b> (0.02)	<0.05	[0.00,0.08]	<b>0.07</b> (0.02)	<0.01	[0.03,0.12]
N	540			496		
Adjusted R <sup>2</sup> Trust	0.54			0.39		
Adjusted R <sup>2</sup> Pintentions	0.53			0.55		

Notes: We controlled the model for common method bias using the NARS variable. All reported coefficients are unstandardized. Statistically significant coefficients ( $p < 0.05$ ) are highlighted in boldface. The reported 95% confidence intervals (CI) are based on 1,000 resamples. SVutilitarian = utilitarian store values, SVhedonic = hedonic store values, CScognition = country stereotype cognition, Pintentions = purchase intentions, C Swarmth = country stereotype warmth.



**Figure 3.3** Plots visualizing the four groups for the five estimated direct effects

Finally, we evaluated the direct effects of store values and country stereotypes on purchase intentions. Notably, utilitarian store value positively affected purchase intentions for the inexperienced (U.S. study:  $b = 0.26, p < 0.01$ ; China study:  $b = 0.14, p < 0.01$ ) and experienced shoppers (U.S. study:  $b = 0.34, p < 0.01$ ; China study:  $b = 0.49, p < 0.01$ ). Furthermore, we observed hedonic store value's positive effects on purchase intentions in the case of inexperienced (U.S. study  $b = 0.24, p < 0.01$ ; China study  $b = 0.33, p < 0.01$ ) and experienced shoppers (U.S. study  $b = 0.22, p < 0.01$ ; China study  $b = 0.16, p < 0.05$ ). Hypotheses 6a and 6b were, thus, supported; however, we also observed store values' direct effect on purchase intentions for the inexperienced consumers. Regarding country stereotypes, however, differences existed among the four groups. Country stereotype cognition exhibited no direct effect on purchase intentions for inexperienced customers (U.S. study:  $b = 0.05, p = 0.44$ ; China study:  $b = 0.04, p = 0.41$ ); by contrast, this effect was significant for experienced customers (U.S. study:  $b = 0.20, p < 0.05$ ; China study:  $b = 0.30, p < 0.01$ ). Hypothesis 6c was, thus, supported. Country stereotype warmth only exhibited a positive, significant effect on purchase intentions for inexperienced consumers in the U.S. ( $b = 0.16, p < 0.01$ ); however, no such effects were observed in the case of China ( $b = 0.10, p = 0.06$ ) or for experienced consumers (U.S. study:  $b = -0.10, p = 0.87$ ; China study:  $b = -0.06, p = 0.31$ ). Hypothesis 6d was, thus, not supported. Finally, the R-squared for trust for the inexperienced shoppers in the U.S. study was 0.57; for the inexperienced shoppers in the China study, 0.44; for the experienced shoppers in the U.S. study, 0.53; and for the experienced shoppers in the China study, 0.39. The R-squared for purchase intentions for the inexperienced shoppers in the U.S. study was 0.44; for the inexperienced shoppers in the China study, 0.49; for the experienced shoppers in the U.S. study, 0.53; and for the experienced shoppers in the China study, 0.55.

## **3.5 DISCUSSION AND IMPLICATIONS**

### **3.5.1 Theoretical implications**

This study provides new insights on international business through a novel empirical investigation demonstrating the relative contribution of store value and country stereotypes on cross-border online trust and purchase intentions at foreign e-stores. Two main cross-border e-commerce markets worldwide were considered—the U.S. and China. Our research aimed to extend the existing theory to explain online trust formation and purchase intentions in a cross-border context and included experience and country of purchase in our analyses for deeper insights. The empirical findings contribute to the extant literature in the following three ways: First, our study offers an expanded understanding of cross-border trust formation by identifying its antecedents in contexts wherein consumers purchase from e-stores abroad. Our theoretical contribution is that

perceptions of both e-stores and foreign countries facilitate cross-border online trust formation, which is consistent with the previous finding that trust depends on store values when consumers make purchases at domestic e-stores (Beatty et al., 2011; Kim and Peterson, 2017) and when they purchase foreign products from local stores (Jiménez and San Martín, 2010; 2014). This study, to the best of our knowledge, is the first to provide empirical evidence regarding the influence of both store values and country stereotypes on cross-border online trust and purchase intentions in foreign e-stores, and to extend the literature on international retailing, which has, thus far, overlooked the joint role of these important antecedents.

Second, by examining the effects on European consumers shopping at e-stores in the U.S. compared to those in China, this study responds to calls for further research on the asymmetric dominance of antecedents in varying conditions (Ma et al., 2022). The distinction between consumers with recent online shopping experiences at e-stores in the U.S. or China contributes to the research on e-commerce adoption by providing a better understanding of the differences in relative contributions of store values and country perceptions on cross-border online trust and purchase intentions (Zerbini et al., 2022). In line with affect theory (Zajonc, 1980), our study demonstrates that inexperienced European consumers exhibit greater reliance on their cognitive reactions when shopping online at e-stores from the U.S.—a country more familiar to people from Western Europe compared to China. By contrast, European consumers rely more on their affective responses when shopping online at e-stores from China. However, in cross-border e-commerce, like in domestic e-commerce, perceptions of inexperienced consumers differ from those of consumers with recent experience in the country of purchase (Chiu et al., 2012; Fang et al., 2014; Hernández et al., 2010). Among the inexperienced consumers in our study, the cognitive antecedents of utilitarian store values and country stereotype competence dominate when shopping at e-stores in the U.S. By contrast, the affective antecedents of hedonic store values and country stereotype warmth dominate when shopping at e-stores in China. This difference in dominance between effects is no longer present among experienced consumers. Specifically, we demonstrate that the country of purchase does not matter when consumers gain experience; the effects of store values and country stereotypes on trust and purchase intentions are similar in intensity. However, among experienced consumers, country stereotype warmth positively influences purchase intention only through cross-border online trust, while country stereotype competence only directly positively influences purchase intentions. A possible explanation for this finding is that repeat cross-border online consumers—owing to habit—may exhibit greater reliance on their previous positive experience (price–quality) and less reliance on feelings of warmth (Chiu et al., 2012). Overall, the differential findings among the four groups (U.S.–China, experienced–not experienced) that we compared demonstrate that researchers should include both



experience and the country of purchase to understand the underlying mechanisms when studying the formation of cross-border online trust.

Third, we demonstrate that cross-border trust's influence on purchase intentions decreases with experience. Domestic e-commerce studies have provided contradictory results on the role of trust in this regard. Some studies have revealed that trust is continuously revised based on experience and continues to play a prominent role (Bart et al., 2005; Beldad et al., 2010). However, some studies have reported that trust loses momentum in influencing purchase intentions after the first use of the Internet for shopping purposes (Chiu et al., 2012; Fang et al., 2014). In cross-border e-commerce, recent purchases conducted in a country may reduce the relevance of trust perceptions for future purchase intentions. However, even for experienced consumers, purchase intentions are still partially driven by consumers' trust perceptions of the foreign e-store. Therefore, foreign e-stores should continue to focus on maintaining trust to facilitate repeat cross-border purchases.

### **3.5.2 Managerial implications**

This study has several implications for e-stores seeking to attract foreign consumers. E-commerce managers should be aware that store values (utilitarian and hedonic) and country stereotypes (competence and warmth) influence consumers' trust and purchase intentions with respect to their e-store. Utilitarian shopping values encompass consumers' ability to find the products they seek, which can be considered a good buy. E-retailers can address this by offering comparisons on their website to allow consumers to compare prices and product features while searching. Customers who have successfully obtained desired products from a particular foreign e-store will remember this positive experience and are likely to buy from the same store again (Chiu et al., 2014). Additionally, deploying rich media can increase consumers' perceptions of hedonic store value (Roggeveen et al., 2015). In addition to images, e-retailers can incorporate video, audio, and gaming on their website to provide consumers with additional sensory stimulation and fun while shopping. For countries that are generally considered highly competent, the e-retailer may choose to include subtle references to the country in its communications, such as placing a flag on the website, or by explicitly naming it. This also applies to warmth-related country associations such as kindness and friendliness, which can be emphasized in campaigns and on the website. To convince new visitors to trust the foreign e-store and make a buying decision, the e-store's website content should focus on utilitarian aspects in combination with characteristics of the country's stereotype competence and on hedonic elements in combination with features of the country's stereotype warmth.

In our study, we demonstrate that consumers' experience and familiarity with the country of purchase also affect trust and purchase intentions. To achieve effective segmentation, collecting consumer data, including their previous experiences and home

country, is thus relevant. The e-store can utilize these insights to serve foreign customers better by, for example, offering dynamic website content based on visitor characteristics, such as an Internet Protocol (IP) address. Additionally, e-stores can utilize technologies aimed explicitly at retailing (Shankar et al., 2021) and digital marketing tactics (Goldman et al., 2021) to tailor their message to different consumer segments, as highlighted by our study.

### **3.5.3 Limitations and future research directions**

This study's limitations point toward avenues for future research. First, we administered our survey in highly developed, western e-commerce markets; however, differences might manifest for emerging market consumers. Second, our study includes respondents' self-reported estimates of actual purchases in the 12 months prior to the data collection. Future research should consider actual purchases from foreign e-stores—preferably no longer than six months following the data collection. Finally, consumers' online trust may be under pressure because it is not clear to what extent their data will be protected while conducting transactions with a foreign party (Bhatia et al., 2021; Peukert et al., 2022).



## CHAPTER IV

# What attracts consumers to purchase from cross-border Chinese e-stores? Highlighting generational differences

4

### **Abstract**

We analyse the impact of e-store attributes (product, risk, and service assessments), domain-specific values (ethnocentrism and sustainable consumption behaviour), and human values (resultant conservation and self-enhancement) on the cross-border e-commerce purchase intention of Baby Boomers, Gen Xers, Millennials, and Gen Zers. We survey 2,600 Dutch consumers' purchase intention from Chinese e-stores. Product and service assessments positively affect some generations' purchase intention; risk assessment has a negative impact. Ethnocentrism negatively affects the purchase intention of all except Gen Zers; sustainable consumption behaviour has a positive affect only on Millennials. Schwartz's (1992;2012) dimension resultant conservation negatively affects the purchase intention of only Baby Boomers and Gen Xers; dimension resultant self-enhancement positively affects across all generations. These differences between generational cohorts are prominent and provide a deeper understanding of why some generations are more likely to shop online cross-border.

## 4.1 INTRODUCTION

Cross-border e-commerce is rising due to the increased supply of e-stores selling products across borders (Vantage Market Research, 2022; Goldman et al., 2021). Cross-border e-commerce in the business-to-consumer (B2C) market refers to consumers buying products from foreign e-stores via the Internet (Goldman et al., 2021). Statista (2022c) predicts that this market will account for 22% of all shipments to consumers by 2022, a 7% increase from 2016. In cross-border e-commerce, consumers order from various e-stores worldwide, but what makes consumers buy from foreign rather than domestic e-stores?

The previous e-commerce studies have demonstrated that consumers assess e-store attributes to make online purchase decisions. Muthitacharoen et al. (2011) reveal that consumers assess product variety and selection when choosing an e-store over a physical store. Risk and service assessments also impact consumers' purchase decision from an e-store (Chiu et al., 2014; Gefen, 2002; Teo and Liu, 2007). However, these studies have focused on the determinants of domestic e-commerce (i.e., e-stores located in a consumer's country) rather than foreign e-stores. The previous international marketing studies have focused on the determinants of consumers' willingness to buy foreign products. Domain-specific values that relate to the purchasing context, such as consumers' ethnocentrism, reduce consumers' purchase intention of foreign products as ethnocentric consumers prefer local products over foreign ones (Balabanis and Diamantopoulos, 2004; Steenkamp and De Jong, 2010). Meanwhile, human values influence consumers' positive or negative evaluations of foreign products (Balabanis et al., 2002; De Moura Engracia Giraldi and Ikeda, 2009; Steenkamp and De Jong, 2010). However, these studies have examined the consumption of foreign-made products in physical settings (i.e., domestic stores) rather than from foreign e-stores.

To date, no studies have combined direct purchase-related determinants of e-store attributes as distinguished in e-commerce, more abstract domain-specific values from marketing and motivational human values from social psychology. As consumers are increasingly purchasing from foreign rather than domestic e-stores, deepening the understanding of this behaviour is essential. Therefore, we advocate for an integrated approach to enhance the understanding of and predict consumers' cross-border e-commerce purchase intention. Table 4.1 summarizes the relevant empirical studies: none have combined the three determinants, while all have indicated the determinants' potential relevance as drivers of consumers' purchase intention from foreign e-stores.

**Table 4.1** Exemplary studies on e-store attributes, domain-specific values, and human values, and their geographical context

Articles	Determinants			Geographical context		
	E-store attributes	Domain-specific values	Human values	Foreign (global) products	Domestic e-stores	Foreign e-stores
Chiu et al. (2014), Gefen (2002), Teo and Liu (2007), Muthitacharoen et al. (2011)	✓				✓	
Balabanis and Diamantopoulos (2004), Siagmanka and Balabanis (2015)		✓		✓	✓	
Balabanis et al. (2002), De Moura Engracia Giraldi and Ikeda (2009)			✓	✓	✓	
Steenkamp and De Jong (2010)		✓	✓	✓	✓	
Our study	✓	✓	✓			✓

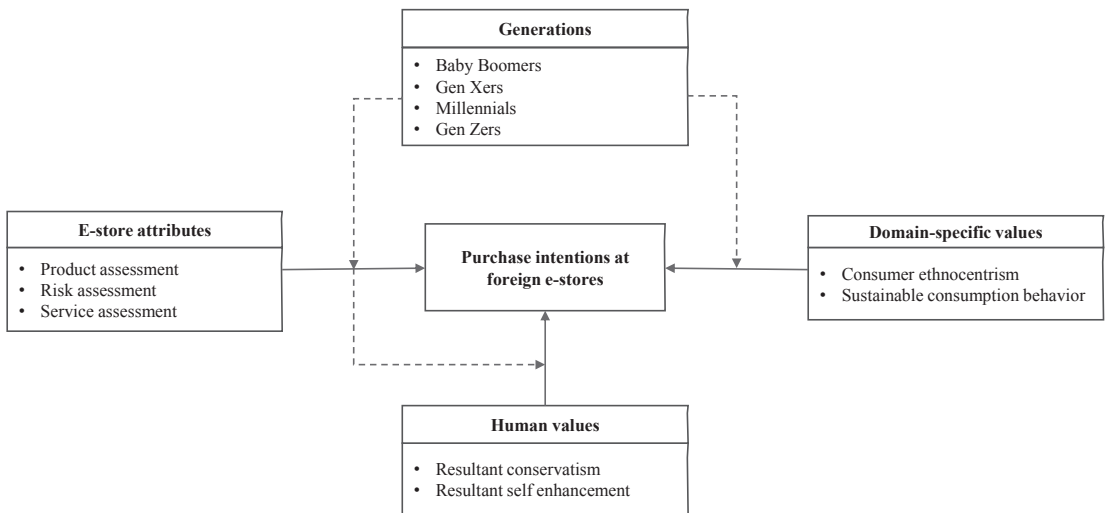
Some generations are more comfortable with cross-border e-commerce than others generations: a global survey (Lindsay, 2021) reveals that Millennials spend the most money on cross-border e-commerce purchases followed by Gen Xers. Moreover, all ages most often buy clothing abroad, while Gen Zers and Millennials also purchase products from other categories, such as health and beauty and luxury goods, thrice as often as Baby Boomers. In other scientific fields, the importance of generational differences is recognized to better understand variations in consumers' behaviour (Chand and Markova, 2019; Curran and Hill, 2019; Wang et al., 2019), in marketing it is an exception. Only recent, Alkire et al. (2020) indicate that digital technologies are used differently by digital natives (e.g., Millennials) than by generations that are considered digital immigrants (e.g., Gen Xers). Lissitsa and Kol (2021) reveal that personality traits have different effects across generations on predicting mobile shopping intentions for Baby Boomers and Gen Xers compared to Millennials and Gen Zers. Thus, a distinction between generational cohorts may be vital for providing insight into predicting consumers' cross-border e-commerce behaviour.

This study makes the following academic contributions. First, it is the first to examine how the determinants of e-store attributes (Muthitacharoen et al., 2011), domain-specific values (Van Raaij and Verhallen, 1994), and human values (Schwartz, 1992) impact of consumers' purchase intention from foreign e-stores. Second, it answers the retailing researchers' calls to better understand the variations in e-commerce behaviour (Bento et al., 2018; Herrando et al., 2019; Lissitsa and Kol, 2021). Our study includes Dutch consumers and Chinese e-stores. We focus on Dutch consumers as they have high Internet penetration and extensive e-commerce experience across all generations (Lone

et al., 2021), while Chinese e-stores are the most popular cross-border e-stores among European consumers (International Post Corporation, 2021). This choice is especially interesting because the e-commerce occurs over a considerable physical distance in a country that differs from the Netherlands in terms of language, politics, economics, and culture. Our comparative approach can advance the future theoretical development and help researchers to better utilize insights from both e-commerce and international marketing in their studies.

## 4.2 THEORETICAL FOUNDATION

We present a conceptual framework for understanding cross-border e-commerce purchase intention over four generations (Figure 4.1). We first consider different generations' consumer behaviour. Then, we examine how e-store attributes, domain-specific values, and human values lead to cross-border e-commerce purchase intention, and the differences across generations.



**Figure 4.1** Conceptual framework: The impact of e-store attributes, domain-specific values, and human values on consumers' purchase intention from Chinese e-stores among the four generations

### 4.2.1 Generations

Generational cohort theory (Mannheim, 1952) explains the effects of generational differences on individuals' behaviours and attitudes (Eger et al., 2021; Gabrielova and Buchko, 2021). Central to this theory is that a generational cohort that experiences the same political, economic, and social events during their pre-adult years will share similar attitudes, ideas, values, and beliefs (Meriac et al., 2010; Schewe and Meredith, 2004; Strauss and Howe, 1991). Consequently, attitudes, ideas, values, and beliefs will vary between generations (Egri and Ralston, 2004; Leijen et al., 2022). The most commonly used generation cohort classifications in the literature are Baby Boomers (1946–1964), Gen Xers (1965–1979), Millennials (1980–1996), and Gen Zers (1997–) (Norris and Inglehart, 2019).

Baby Boomers comprise a large part of Western society (Statista, 2022d). Since they grew up before the Internet era, they value the in-store shopping experience more than Gen Xers and Millennials (Jackson et al., 2011). For Baby Boomers, the buying process begins by selecting a trusted store, while Millennials start by selecting a product (Parment, 2013). While Gen Xers also grew up before the Internet era, they can be considered as “digital immigrants” as they have invested time and effort into acquiring digital skills (Bennet et al., 2008). Gen Xers buy products uniquely designed for their tasks and seek customer convenience (Brosdahl and Carpenter, 2011). Millennials are considered first-generation digital natives and are generally technologically proficient (Bilgihhan, 2016); they constantly use their cell phones for social networking, shopping, and selecting travel destinations (Liu et al., 2019; Parment, 2013). They actively share, contribute, search for, and consume content on social media platforms (Prasad et al., 2019) and enjoy shopping more than the earlier cohorts (Brosdahl and Carpenter, 2011). They also seem more motivated to consume for status (Eastman and Liu, 2012). Millennials are also receptive to turning knowledge about sustainability into more durable consumption behaviour (Ivanova et al., 2018; Kanchanapibul et al., 2014; Kopplin and Rosch, 2021). Finally, Gen Zers were born into the Internet age. They are young adults who live online and virtually engage with their favourite brands (Francis and Hoefel, 2018; Priporas et al., 2017). They expect efficient and hassle-free shopping processes (Merriman, 2022) and rely more on recommendations, ratings, and reviews than on product-related content (Herrando et al., 2019). We expect that the differences in values and priorities among the four cohorts will lead to variations in both the three determinants and in the extent to which these determinants matter in cross-border e-commerce purchase intention.

### 4.2.2 E-store attributes

We address the expansion of cross-border e-commerce by including consumers' preference for foreign e-stores over domestic ones to determine their cross-border



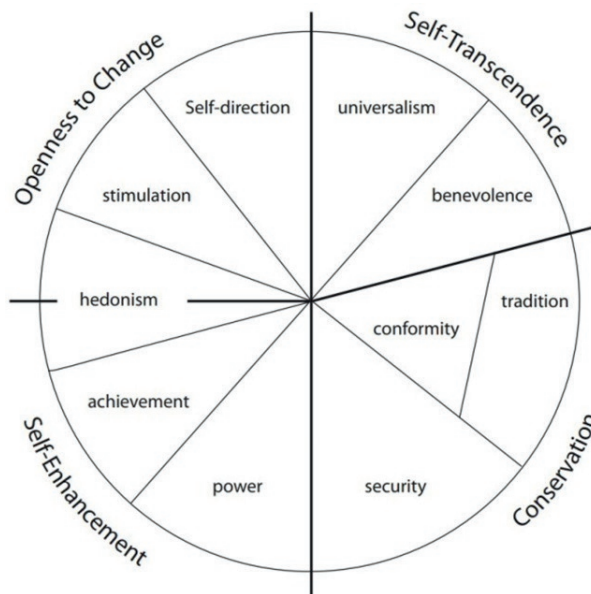
e-commerce purchase intention. The increase in cross-border e-commerce has expanded the choice between e-stores to include foreign e-stores. Foreign e-store websites display different languages, information, navigation styles, and designs, which leads to consumers' higher perceived risk when purchasing (Bartikowski and Singh, 2014; Cyr, 2008). Muthitacharoen et al. (2011) show that consumers' preferential decision-making can predict their online purchase intention when comparing relevant attributes of alternatives (e.g., e-store attributes). When consumers make online purchase decisions, they judge e-store attributes, such as comparative product, risk, and service assessments (Ganesh et al., 2010; Meents and Verhagen, 2018; Muthitacharoen et al., 2011; Udo et al., 2010; Verhagen and Van Dolen, 2009). To understand the extent to which these e-store attributes influence consumers' purchase intention, we empirically explore consumers' preference for foreign compared to domestic e-stores.

#### **4.2.3 Domain-specific values**

Domain-specific values are psychological beliefs about consumption patterns that lead to product or service use (Van Raaij and Verhallen, 1994). According to Van Raaij and Verhallen (1994), domain-specific variables relate to the behavioural domain, which is defined as "a set of behaviours with a common goal or label, such as recreation or eating" (p. 50). As such, domain-specific values reflect values that apply to specific activities, which play a dominant role in decision-making or evaluation (Steenkamp and De Jong, 2010; Van Raaij and Verhallen, 1994). Two domain-specific values are relevant in cross-border e-commerce. The first is consumer ethnocentrism (Shimp and Sharma, 1987), which represents the universal tendency to distinguish between in-groups (groups with which an individual culturally identifies) and out-groups (those who are considered antithetical to the in-group). Highly ethnocentric consumers have more negative evaluations of and purchase intention toward foreign products (Balabanis and Diamantopoulos, 2004; Balabanis and Siagmaka, 2017; Zeugner-Roth et al., 2015) as they prefer domestic products for their superiority. Moreover, they believe that purchasing imported products hurts the domestic economy, causes job loss, and is unpatriotic (Shimp and Sharma, 1987). The second is sustainable consumption. Compared with domestic deliveries, cross-border deliveries are more polluting as goods must travel long distances to reach consumers; the same also applies to the returns process when goods do not meet consumers' expectations (Nakamichi et al., 2016). People who care about the environment generally reject consumption for its (perceived) polluting effects (Bryła, 2019) and believe that sustainability lies in local production and consumption (Curtis, 2003; Vita et al., 2019). These consumers also prefer local products for their lower carbon footprint (Bimbo et al., 2020; Nakamichi et al., 2016).

#### 4.2.4 Human values

Marketing researchers have widely applied Schwartz's seminal human values framework (1992, 2012) (Stathopoulou and Balabanis, 2019; Steenkamp, 2019). According to Schwartz (2012), human values are "desirable, trans-situational goals, varying in importance, that serve as guides in people's lives" (p. 3). Human values transcend specific situations and are more abstract than domain-specific values (Steenkamp and De Jong, 2010). Schwartz identified 10 value types based on conflict or compatibility (Figure 4.2), which help to better understand individual dispositions and behaviours (Steenkamp et al., 1999). De Moura Engracia Giraldi and Ikeda (2009) demonstrate that human values have different influences on foreign product evaluation, while Steenkamp and De Jong (2010) reveal that values differ between people who prefer foreign over domestic products. Therefore, we utilize Schwartz's framework to assess this preference.



**Figure 4.2** Schwartz's (1992) theoretical model of relations among human values

### 4.3 HYPOTHESES DEVELOPMENT

#### 4.3.1 E-store attributes

E-store attributes concern consumers' perceptions of tangible or functional factors (e.g., product offerings) and immaterial or psychological factors (e.g., perceived risk and service level) (Chang and Tseng, 2013; Verhagen and Van Dolen, 2009; Yun and Good,

2007). These factors are relevant for consumers' preferential decision-making when given the choice of multiple shopping channels, such as offline versus online channels (Ganesh et al., 2010; Muthitacharoen et al., 2011). Relevant e-store attributes for cross-border purchase intention include comparative product, risk, and service assessments in the domestic and cross-border e-commerce context (Li et al., 2019; Mou et al., 2019, Niu et al., 2019). Regarding product assessment, products constitute the main reason to select a store, whether it be a physical store or a domestic or foreign e-store (Ganesh et al., 2010; Muthitacharoen et al., 2011; Zhu et al., 2019). Consumers base their product assessment on the ability of the foreign e-store to provide them with a favourable outcome at the point of purchase in terms of product variety, selection, and availability (Chaparro-Peláez et al., 2016; Srinivasan et al., 2002). Perceiving a better foreign product offer will positively influence a consumer's cross-border purchase decision (Huang and Chang, 2018; Zhu et al., 2019), while consumers determine foreign retailers' attractiveness by comparing their product offerings with domestic ones. The choice of a store seems determined primarily by its product offerings, which may or may not be well aligned with consumer expectations. Therefore, we do not expect to find differences between the generations. To assess the effect of preference for foreign e-stores on purchase intention, and any generational, we posit that:

*H1a.* Comparative product assessment that favours foreign over domestic e-stores positively impacts consumers' purchase intention from foreign e-stores; this effect is of equal strength among the generational cohorts.

Regarding risk assessment, perceived risk affects consumers' purchase intention (Chiu et al., 2014; Dinev and Hart, 2006; Teo and Liu, 2007). When people visit e-stores, they conduct subjective risk assessments, for example, about whether the e-store is fraudulent or offers products that will not perform as expected. Unlike physical stores, consumers cannot meet e-retailers or physically examine the e-stores' products. Consequently, consumers' risk perception negatively influences their online purchase intention (Chang and Tseng, 2013; Kim et al., 2009). Consumers further perceive shopping at foreign e-stores as risky due to geographical distance and differences in customs and legislation (Bartikowski and Singh, 2014; Li et al., 2019). Therefore, it is plausible to assume that consumers' cross-border purchase intention decreases when they perceive a foreign e-store to carry more risk than a domestic one.

Despite these risk perceptions, e-commerce has become commonplace for all generations, with slightly higher purchase frequencies among Millennials and Gen Zers than Baby Boomers and Gen Xers (Statista, 2022e). Higher e-commerce frequency could indicate that Millennials and Gen Zers feel more comfortable about cross-border e-com-

merce than Baby Boomers and Gen Xers. This may be because Millennials and Gen Zers grew up as digital natives who are familiar with buying via the Internet and are possibly less concerned with possible risks. With the advent of the Internet, Baby Boomers and Gen Xers experienced a period in which online shopping was considered both a novelty and riskier than offline shopping (Bhatnagar and Ghose, 2004). As a result, these generations may be more aware of the risk of e-commerce than Millennials and Gen Zers, which may possibly be more prominent for cross-border e-stores. Therefore, we posit that:

*H1b.* Comparative risk assessment favouring domestic over foreign e-stores negatively impacts consumers' purchase intention from foreign e-stores; this effect is stronger for Baby Boomers and Gen Xers than for Millennials and Gen Zers.

Regarding service assessment, consumers expect service quality from domestic e-stores (Gefen, 2002; Udo et al., 2010; Verhagen et al., 2014; Verhagen and Van Dolen, 2009). The more positive a perceived e-store's service quality, the higher the consumer's loyalty and purchase intention (Gefen, 2002; Udo et al., 2010; Verhagen and Van Dolen, 2009). It is plausible to assume that positive perceptions of a foreign e-store's service quality would contribute to increased purchase intention, as consumers judge an e-store by its service. Parment (2013) reveals that Baby Boomers first choose a store that offers sales advice on choosing the right product before selection, thus they highly value the service level. Soares et al. (2017) find that younger consumers complain more than older ones, indicating that their service demands are also high, and they complain when their expectations are unmet. Roschk et al. (2013) suggest that Baby Boomers are less likely to complain because they may be more accepting of service inconsistencies. Although across all generations the service from e-stores is emphasized, Millennials and Gen Zers seem to have higher expectations. Thus, they may place more weight on this e-store attribute in the purchase intention context than Baby Boomers and Gen Xers. Accordingly, we posit that:

*H1c.* Comparative service assessment favouring foreign over domestic e-stores positively impacts consumers' purchase intention from foreign e-stores; this effect is stronger for Millennials and Gen Zers than for Baby Boomers and Gen Xers.

### **4.3.2 Ethnocentrism**

Ethnocentrism reduces consumers' purchase intention of foreign products (Balabanis and Diamantopoulos, 2004), so it is plausible that ethnocentrism will also negatively impact purchase intention from foreign e-stores. Some studies indicated that older people have

higher levels of ethnocentrism than younger people (Cleveland et al., 2009; Siamagka and Balabanis, 2015). Baby Boomers and Gen Xers may be more aware that buying from foreign e-stores negatively affects their own economies. Accordingly, we posit that:

*H2a.* Ethnocentrism negatively impacts purchase intention from foreign e-stores; this effect is stronger for Baby Boomers and Gen Xers than for Millennials and Gen Zers.

#### **4.3.3 Sustainable consumption behaviour**

Foreign e-store products must travel long distances to reach the consumer, a process that produces more emissions than buying local products from domestic stores (Sustainability for All, 2022). Climate-concerned consumers adjust their consumption behaviours accordingly (Bouman et al., 2022); therefore, they are expected to have lower purchase intention from foreign e-stores. Bulut et al. (2017) reveal that Gen Zers exhibit more sustainable consumption behaviour than Baby Boomers. Conversely, Diamantopoulos et al. (2003) report that older consumers are more likely to act on environmentally sustainable consumption. Meanwhile, Millennials translate their ecological concerns into buying sustainable clothing (Kopplin and Rösch, 2021; Ivanova et al., 2018). Millennials and Gen Zers grew up in a world of fast fashion; therefore, they are less inclined toward sustainable consumerism (Joy et al., 2012; Nguyen, 2019). However, Millennials and Gen Zers are more active than Gen Xers and Baby Boomers in addressing climate change, acting, and engaging with related issues on social media (Tyson et al., 2019). Moreover, some have labelled Gen Zers as the sustainability generation because the majority prefer sustainable brands (Petro, 2021). Although the findings on sustainable consumption behaviour are not always generalizable across national contexts (Poortinga et al., 2019), we follow the stream that indicates that Millennials and Gen Zers intend to engage in sustainable consumption behaviour and act accordingly. Therefore, we posit that:

*H2b.* Sustainable consumption behaviour negatively impacts purchase intention from foreign e-stores; this effect is stronger for Millennials and Gen Zers than for Baby Boomers and Gen Xers.

#### **4.3.4 Resultant conservatism and self-enhancement**

Following Steenkamp et al. (1999), we employ Schwartz's two value dimensions: resultant conservation and self-enhancement. Resultant conservation refers to valuing new experiences rather than maintaining the status quo and avoiding actions that might disrupt society. Resultant self-enhancement refers to valuing social embeddedness rather than individual power and success. Consumers of the resultant self-enhancement type place greater emphasis on product novelty and prefer global products over local

ones, positively impacting their purchase intention (Rubera et al., 2011; Steenkamp et al., 1999; Steenkamp and De Jong, 2010). Consumers of the resultant conservation type prefer local products and reject change (Steenkamp and De Jong, 2010). In the context of our study, it seems reasonable to expect that resultant conservation will have a negative impact on purchase intention from foreign e-stores, while resultant self-enhancement will have a positive effect.

Buying in a new context means changing an existing situation (Steenkamp et al., 1999). Consequently, the more that e-commerce from foreign e-stores is considered common practice, the more it will form a part of behaviour, and the less it will be affected by values. As Baby Boomers and Gen Xers are considered digital immigrants and Millennials and Gen Zers are considered digital natives, e-commerce from foreign e-stores may be perceived as novel by the first and standard practice by the latter. Therefore, we posit that:

*H3a.* Resultant conservation negatively impacts purchase intention at a foreign e-store; this effect is stronger for Baby Boomers and Gen Xers than for Millennials and Gen Zers.

*H3b.* Resultant self-enhancement positively impacts purchase intention at a foreign e-store; this effect is stronger for Baby Boomers and Gen Xers than for Millennials and Gen Zers.

## 4.4 METHODOLOGY

### 4.4.1 Data collection and sample description

We distributed an online survey to Dutch consumers through one of the consumer panels of the global market research agency Dynata in fall 2021. The sample was nationally representative and consisted of 2814 respondents who had shopped online at least once in the past six months. After eliminating straight-liners (214) on the variables of interest, 2,600 observations remained. The average age of respondents was 42.88 years (SD = 13.83), and 50% were female. 98% know a Chinese website by name, over 55% have ordered from it before. On average, 2.49 (SD = 3.14) orders were placed at Chinese e-stores six months before the survey commenced. The average amount spent per order was EUR 22.52 (SD = 40.73).

Following Norris and Inglehart (2019), we categorized respondents into four birth cohorts: Baby Boomers (aged 57 years and older:  $N = 550$ ), Gen Xers (aged between 41–56 years:  $N = 888$ ), Millennials (aged between 25–40 years:  $N = 836$ ), and Gen Zers (aged between 16–24 years:  $N = 326$ ). Table 4.2 shows the descriptives per cohort. The average

number of orders at Chinese e-stores in the six months before the survey commenced ranges from 1.42 (Baby Boomers) to 3.43 (Gen Zers). All groups significantly differ ( $p < 0.00$ ) except for Millennials and Gen Zers. The average amount spent per order ranges from EUR 12.09 (Baby Boomers) to EUR 30.87 (Gen Zers); Baby Boomers and Gen Xers significantly differ ( $p = 0.02$ ), the others all significantly differ ( $p < 0.00$ ), while Millennials and Gen Zers are similar ( $p = n.s.$ ). Across all cohorts, the most popular product categories are fashion; hobby articles; mobile and computer accessories; gadgets; electronics; and house, garden, and kitchen supplies. Toys and party articles are also popular among Millennials and Gen Zers, respectively.

**Table 4.2** Average number of orders and the average amount per order across generations

	Total sample	Baby Boomers	Gen Xers	Millennials	Gen Zers
	<i>N</i> = 2621	<i>N</i> = 550	<i>N</i> = 888	<i>N</i> = 836	<i>N</i> = 326
Average number of orders in the previous six months	2.49 (3.13)	1.42 (2.57)	2.22 (3.04)	3.11 (3.29)	3.43 (3.29)
Average amount per order in the previous six months	EUR 22.52 (40.73)	EUR 12.09 (27.14)	EUR 18.45 (35.86)	EUR 30.45 (47.73)	EUR 30.87 (46.88)

Note: Standard deviations shown in parentheses.

#### 4.4.2 Measures

The questionnaire was developed in English and back-translated into Dutch to ensure translation accuracy (Brislin, 1970). Table 3 presents all measurement items used. The e-store attribute measures (i.e., product, risk, and service assessments) were measured using a 7-point semantical differential scale (1 = clearly stronger preference for Dutch e-stores, 7 = clearly stronger preference for Chinese e-stores). We adopted the comparative product assessment scale from Muthitacharoen et al. (2011), the comparative risk assessment scale from Meents and Verhagen (2018), and the comparative service assessment scale from Verhagen and Van Dolen (2009). The domain-specific values and purchase intention measures were assessed using a 7-point Likert scale (1 = totally disagree, 7 = totally agree). To measure consumer ethnocentrism, we followed Steenkamp and De Jong (2010) and adopted four items with the highest factor loadings from the consumer ethnocentrism tendencies scale (CETSCALE) (Shimp and Sharma, 1987). We measured sustainable consumption using three items from Biswas and Roy (2018) and one from Cheung and To (2019). We adopted the scale from Muthitacharoen et al. (2011) to measure purchase intention. Finally, we measured human values using Schwartz's human values framework (1992) and adopted the 21-item scale used in the European Social Survey (2020), which was validated by Davidov et al. (2008). Respondents rated 21

**Table 4.3** Measurement items

Construct and scale items	Standardized loadings	Composite reliability	$\alpha$	AVE
<b>Product assessment</b> (Muthitacharoen et al., 2011)		0.867	0.867	0.684
Please compare Chinese and Dutch e-stores based on the following criteria:	0.822			
1. Product availability	0.852			
2. Product variety	0.831			
3. Product selection				
<b>Risk assessment</b> (Meents and Verhagen, 2018)		0.802	0.806	0.583
Please compare Chinese and Dutch e-stores regarding your concerns that e-stores will:	0.868			
1. Commit fraud	0.870			
2. Swindle consumers	0.761			
3. Offer products that will not perform as expected				
<b>Service assessment</b> (Verhagen and Van Dolen, 2009)		0.892	0.893	0.736
Please compare Chinese and Dutch e-stores based on the following criteria:	0.870			
1. Willingness to help	0.848			
2. Friendliness	0.836			
3. Knowledgeability				
<b>Consumer ethnocentrism</b> (Shimp and Sharma, 1987)		0.914	0.914	0.727
1. It is not right to purchase foreign products because it puts Dutch people out of jobs	0.878			
2. A real Dutch person should always buy products made in the Netherlands	0.867			
3. We should purchase products made in the Netherlands instead of letting other countries get rich off us	0.848			
4. Dutch people should not buy foreign products because this hurts Dutch businesses and causes unemployment	0.878			
<b>Sustainable consumption behaviour</b> (Biswas and Roy, 2018; Cheung and To, 2019)		0.984	0.985	0.680
1. I care about buying environmentally friendly products	0.875			
2. I do not buy products that cause potential damage to the environment	0.877			
3. Being exposed to two alternatives, I will buy the one less harmful to the environment	0.850			
4. If I knew that a company had harmed the environment, I would stop buying from it	0.829			
<b>Purchase intention</b> (Muthitacharoen et al., 2011)		0.972	0.972	0.898
1. I predict I would make a purchase from a Chinese e-store	0.923			
2. I intend to make a purchase from a Chinese e-store	0.920			
3. It is likely I will make a purchase from a Chinese e-store	0.925			
4. I am certain that I will make a purchase from a Chinese e-store	0.916			



**Table 4.4** Discriminant validity

	<b>PA</b>	<b>RA</b>	<b>SA</b>	<b>CET</b>	<b>SCB</b>	<b>RC</b>	<b>RSE</b>	<b>PI</b>
1. Product assessment (PA)	0.827							
2. Risk assessment (RA)	-0.072*	0.764						
3. Service assessment (SA)	0.451*	-0.301*	0.853					
4. Consumer ethnocentrism (CET)	-0.157*	0.160*	-0.056*	0.853				
5. Sustainable consumption behaviour (SCB)	-0.035	0.184*	-0.073*	0.330*	0.825			
Resultant conservation (RC)	-0.081*	0.029	-0.040*	0.124*	0.008	-		
6. Resultant self-enhancement (RSE)	0.129*	-0.103*	0.261*	0.095*	-0.167*	-0.142*	-	
7. Purchase intention (PI)	0.419*	-0.189*	0.405*	-0.263*	-0.085*	-0.140*	0.202*	0.898
Mean	3.866	4.876	3.143	3.713	4.526	-0.123	-2.223	3.553
SD	1.497	1.196	1.439	1.601	1.388	2.967	2.621	1.982

Note: The diagonal items in bold italic are the square root of the AVE values of the construct, \*  $p < 0.05$ . Spearman's correlations are reported for all correlations with the ordinal variables (PA, RA, and SA).

statements containing personal descriptions and indicated the resemblance degree (1 = not like me, 6 = very much like me). Next, we followed Steenkamp et al.'s (1999) approach to obtain the scores for resultant conservation and self-enhancement.

#### **4.4.3 Measurement validity and reliability**

The self-reported variables in our model may have inflated the relationships between some variables due to common method variance. We mitigated this possibility ex ante by measuring our variables using different scales (Podsakoff et al., 2003). First, e-store attributes were measured with semantic difference scales. For example, when respondents were asked to compare Chinese and Dutch e-stores on product variety, the 7-point scale varied from 1 = clearly stronger preference for Dutch e-stores to 7 = clearly stronger preference for Chinese e-stores. The domain-specific values and purchase intention were measured using a 7-point Likert scale, scoring from 1 = totally disagree to 7 = totally agree. The human values were measured with a 6-point scale ranging from 1 = very much like me to 6 = not like me at all. Ex post, we excluded respondents who straight-lined. Given our ex-ante design effort and ex-post statistical approach, we minimized the likelihood of common method bias.

We assessed the reliability and convergent validity of our multi-item measures via confirmatory factor analysis (CFA) using the lavaan package in R (Rosseel, 2012).

The CFA fit indices suggested good model fit (Hu and Bentler, 1999; core constructs:  $\chi^2 = 924.245$ , degree of freedom [df] = 254,  $p = 0.00$ , comparative fit index [CFI] = 0.987, Tucker-Lewis index [TLI] = 0.985, goodness of fit index [GFI] = 0.971, root mean square error of approximation [RMSEA] = 0.032, and standardized root mean square residual [SRMR] = 0.029). Tables 4.3 and 4.4 summarize the measurement items. The average variance extracted (AVE) for each construct exceeds its shared variance with any other model construct, showing discriminant validity (Fornell and Larcker, 1981). Moreover, the AVEs of all constructs are above 0.50 and their composite reliabilities are  $\geq 0.809$ , suggesting convergent

validity. All scales load highly on their intended factors ( $\geq 0.76$ ), providing further evidence of the internal consistency of our measures. As can be seen in Table 4.4, the means of the variables measured with a preference scale show that preference for product assessment is comparable between Dutch and Chinese e-stores, risk assessment is higher for Chinese e-stores, and service assessment is higher for Dutch e-stores.

## 4.5 RESULTS

We estimated the final model via conducting structural equation modelling with a multigroup approach (Kline, 2016) to compare the four generations. We treated the semantic differential scales measuring the product, risk, and service assessments as ordinal to allow the distance between scale points to vary and better capture the difference between preference for Chinese versus Dutch e-stores. The structural model indices indicated good fit ( $\chi^2 = 1970.268$ ,  $df = 856$ ,  $p = 0.00$ ,  $CFI = 1.000$ ,  $TLI = 1.000$ ,  $GFI = 0.994$ ,  $RMSEA = 0.045$ ,  $SRMR = 0.031$ ). Table 4.5 reports the final model results per cohort. Of the e-store attributes, product assessment positively relates to purchase intention for Baby Boomers ( $\beta = 0.640$ ,  $p < 0.00$ ), Gen Xers ( $\beta = 0.647$ ,  $p < 0.00$ ), and Millennials ( $\beta = 0.525$ ,  $p < 0.00$ ), but not Gen Zers ( $\beta = 0.245$ ,  $p = n.s.$ ). Therefore, H1a is partially supported. Risk assessment shows a significant negative effect on purchase intention for Baby Boomers ( $\beta = -0.301$ ,  $p < 0.05$ ), Gen Xers ( $\beta = -0.186$ ,  $p < 0.05$ ), and Millennials ( $\beta = -0.271$ ,  $p < 0.00$ ), but not Gen Zers ( $\beta = 0.006$ ,  $p = n.s.$ ). Therefore, H1b is partially supported. Finally, service assessment positively relates to purchase intention for Gen Xers ( $\beta = 0.264$ ,  $p < 0.00$ ), Millennials ( $\beta = 0.673$ ,  $p < 0.00$ ), and Gen Zers ( $\beta = 0.705$ ,  $p < 0.00$ ), but not Baby Boomers ( $\beta = 0.168$ ,  $p = n.s.$ ).

**Table 4.5** Determinants of consumers' purchase intention from Chinese e-stores: e-store attributes, domain-specific values, and human values across four generations

Relationship	Baby Boomers	Gen Xers	Millennials	Gen Zers
E-store attributes				
Product assessment	0.640***	0.647***	0.525***	0.245
Risk assessment	-0.301*	-0.186*	-0.271***	0.006
Service assessment	0.156	0.264***	0.673***	0.705***
Domain-specific values				
Consumer ethnocentrism	-0.247***	-0.405***	-0.189***	-0.197*
Sustainable consumption behaviour	0.027	0.015	0.136***	0.127
Human values				
Resultant conservation	-0.098***	-0.110***	-0.018	0.022
Resultant self-enhancement	0.072*	0.080***	0.123***	0.098*
Variance explained (R <sup>2</sup> )				
Purchase intention	0.303	0.343	0.336	0.220

Note: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.00$

The analysis of variance (ANOVA) results ( $\Delta$  chi-square/df = 181.657,  $p < 0.00$ ) show a significant difference for Gen Xers compared to Millennials and Gen Zers; therefore, H1c is partially supported. Regarding the domain-specific values, consumer ethnocentrism shows a significant negative effect on purchase intention across all generations (Baby Boomers:  $\beta = -0.247$ ,  $p < 0.00$ ; Gen Xers:  $\beta = -0.405$ ,  $p < 0.00$ ; Millennials:  $\beta = -0.189$ ,  $p < 0.00$ ; and Gen Zers:  $\beta = -0.197$ ,  $p < 0.05$ ). The ANOVA results ( $\Delta$  chi-square/df = 119.650,  $p = \text{n.s.}$ ) show no significant differences between Gen Xers and the other cohorts. Therefore, H2a is partially supported. Contrary to expectations, sustainable consumption behaviour has a positive effect on purchase intention for Millennials (Baby Boomers:  $\beta = 0.027$ ,  $p = \text{n.s.}$ ; Gen Xers:  $\beta = 0.015$ ,  $p = \text{n.s.}$ ; Millennials:  $\beta = 0.136$ ,  $p < 0.00$ ; and Gen Zers:  $\beta = 0.127$ ,  $p = \text{n.s.}$ ). Therefore, H2b is not supported. Regarding the human values, resultant conservation negatively relates to purchase intention for Baby Boomers ( $\beta = -0.098$ ,  $p < 0.00$ ) and Gen Xers ( $\beta = -0.110$ ,  $p < 0.00$ ), but not Millennials ( $\beta = -0.018$ ,  $p = \text{n.s.}$ ) and Gen Zers ( $\beta = 0.022$ ,  $p = \text{n.s.}$ ). Therefore, H3a is supported. Resultant self-enhancement positively relates to purchase intention for Baby Boomers ( $\beta = 0.072$ ,  $p < 0.05$ ) and Gen Xers ( $\beta = 0.080$ ,  $p < 0.00$ ), but not Millennials ( $\beta = 0.123$ ,  $p < 0.00$ ) and Gen Zers ( $\beta = 0.098$ ,  $p < 0.05$ ). Therefore, H3b is partially supported. Finally, the variance explained is similar across the generations (Baby Boomers:  $R^2 = 0.303$ ; Gen Xers:  $R^2 = 0.343$ ; Millennials:  $R^2 = 0.336$ ; and Gen Zers:  $R^2 = 0.220$ ).

## 4.6 DISCUSSION

### 4.6.1 Theoretical implications

We compare drivers of consumers' purchase intention at cross-border e-stores across four generational cohorts (Baby Boomers, Gen Xers, Millennials, and Gen Zers). We empirically demonstrate that e-store-related attributes, domain-specific values, and human values influence purchase intention, thus extending the cross-border e-commerce research. The results reveal substantial differences between generations. For Baby Boomers, product assessment is the most crucial determinant of purchase intention, while risk assessment and ethnocentrism result in lower purchase intention from foreign e-stores. These findings align with the previous research that has shown that better product offerings persuade consumers' cross-border consumption (Huang and Chang, 2018), that perceived risk of e-commerce lowers purchase intention (Chui et al., 2014), and that ethnocentrism keeps people from buying foreign products (Balabanis and Siamagka, 2015). We reveal that service assessment hardly matters to Baby Boomers. Baby Boomers seem most concerned with the products ordered, and, as in the other generations, risk assessment lowers their purchase intention from foreign e-stores. While highly ethnocentric Baby Boomers will buy less from foreign e-stores, we did not find

such an effect on their sustainable consumption behaviour. The attitude–behaviour gap could explain this missing link; that is, consumers may care about the environment but do not (yet) adapt their consumption behaviour accordingly (Park and Lin, 2020). Finally, human values affect Baby Boomers' purchase intention, which is in line with our expectations. Consumers higher on the dimension conservation are less likely to buy from foreign e-stores, while consumers higher on the dimension self-enhancement are more likely to do so. For Baby Boomers, buying from foreign e-stores is considered novel or adventurous and breaks the status quo of buying from local e-stores.

Gen Xers are comparable to Baby Boomers; the main difference is that service assessment positively affects their purchase intention. Interestingly, the relative contribution of service assessment on purchase intention is smaller than that of product assessment, which differs from Millennials. Therefore, it seems plausible to conclude that, alike the Baby Boomers, Gen Xers are persuaded by good product offers from foreign e-stores. Alike the Baby Boomers, Gen Xers' ethnocentrism negatively influences their purchase intention from foreign e-stores, but not their sustainable consumption behaviour. For Gen Xers, resultant conservation inhibits their purchase intention from foreign e-stores, while resultant self-enhancement improves it. Therefore, while the differences between Gen Xers and Baby Boomers are minor (except service assessment), they are more considerable compared to the other generations.

Millennials primarily judge their purchase intention from foreign e-stores according to service and product ratings, of which service rating has a slightly more noticeable impact. This is a marked difference from Baby Boomers and Gen Xers, for whom service assessment plays a minor or no role. Consistent with Baby Boomers and Gen Xers, risk assessment and ethnocentrism reduce purchase intention. However, Millennials who have high sustainable consumption behaviour buy significantly more from foreign e-stores. One would expect this effect to be reversed, since purchases from foreign e-stores have a more significant environmental impact (Bimbo et al., 2020; Nakamichi et al., 2016). One possible explanation is that Millennials order sustainable products from foreign e-stores. As such, these consumers may consider their purchase behaviour from foreign e-stores to be sustainable. However, further research is needed to better understand why Millennials' sustainable consumption behaviour is positively linked to buying from foreign e-stores. Another difference found between Millennials compared to Baby Boomers and Gen Xers is that conservation behaviour does not affect purchase intention. We expected this, since Millennials are considered digital natives (Bilgihan, 2016), and e-commerce is probably considered the status quo to them. Therefore, they likely do not consider shopping at foreign e-stores as a major change. Finally, we found a comparable effect of resultant self-enhancement on purchase intention compared to Baby Boomers and Gen Xers.

Only Gen Zers' service assessment significantly contributes to purchase intention from foreign e-stores, while ethnocentrism negatively affects their purchase intention from foreign e-stores. Alike the Baby Boomers and Gen Xers, sustainable consumption behaviour does not prevent Gen Zers from buying from foreign e-stores. Finally, alike the Millennials, resultant conservation has no influence for Gen Zers, while resultant self-enhancement positively affects their purchase intention from foreign e-stores. These findings indicate that Gen Zers' purchase intention from foreign e-stores is most comparable to that of Millennials.

We are the first to find substantial differences between generations. Product assessment is stronger for Baby Boomers and Gen Xers, service assessment for the Millennials and Gen Zers. Of the domain-specific values, the effect of ethnocentrism is stronger for Baby Boomers and Gen Xers. Of the human values, it is notable that the negative effect of resultant conservation applies to Baby Boomers and Gen Xers, while the positive effect of resultant self-enhancement still plays a role for Millennials and Gen Zers. Most of the variance can be explained through e-store-related attributes (i.e., product and service assessment) and the domain-specific value ethnocentrism, followed by human values. That the relative influence of human values on behaviour is lower than the other determinants may be related to value importance (Lee et al., 2022). In this study, we provide specific insight into why certain considerations are decisive for some generations and irrelevant for others when purchasing from foreign e-stores. By doing so we demonstrate that the distinction between generations in society is not obsolete and is necessary in cross-border e-commerce.

#### **4.6.2 Managerial implications**

First, foreign e-stores should focus on the generation that consumers are from as we reveal generational differences in perceived importance of determinants for online purchase intention. Product availability, variety, and selection convince Baby Boomers, Gen Xers, and Millennials, while high service quality appeals more to Millennials and Gen Zers. Across all generations, foreign e-stores can benefit from links to the human value dimension self-enhancement (such as fun and pleasure) and can communicate to Baby Boomers, Gen Xers and Millennials that buying from foreign e-stores is not very different from buying from local ones. Possible perceived risk factors can be reduced by providing precise and transparent information about the products and processes to all generations. In cross-border e-commerce, consumers may be uncertain about shipping or refunds (Li et al., 2019; Mou et al., 2019). Providing adequate information on policies and processes, including product tracking, lowers consumers' risk assessment of domestic e-stores (Forsythe and Shi, 2003) and likely has a similar effect on cross-border e-commerce.

Our results have reference value for policymakers who support domestic e-stores, which are increasingly facing competition from abroad. Ethnocentrism causes lower purchase intention from foreign e-stores in all generations but Gen Zers. Therefore, emphasizing that an e-store is domestic may discourage consumers from shopping at foreign e-stores. Finally, the finding that sustainable consumption behaviour only has a minor or no effect on purchase intention from foreign e-stores is striking. Local e-stores may benefit from more explicit communication about reducing consumers' environmental impact when purchasing from them rather than from a foreign e-store.

#### **4.6.3 Limitations and future research**

First, we measure purchase intention herein; in a follow-up, we recommend measuring actual purchases about six months after the attitudinal measures. Second, we did not ask respondents if they bought sustainable products at Chinese e-stores. Future research could include the specific product they buy to advance our understanding why sustainable consumption behaviour does or does not affect buying from foreign e-stores. Third, we focused on Dutch consumers who may be representative of Western European consumers but not of consumers in other large e-commerce markets such as US. Moreover, the results may differ when studying generations in countries with lower gross domestic product (GDP) (Ashraf et al., 2017). Finally, it would be useful to repeat this study after a decade (e.g., when Gen Zers have started a family) to study the effects of life stage and aging (Leijen et al., 2022).

# CHAPTER V

## Discussion and Conclusion

This dissertation studies the drivers of retailers' business performance and consumers' purchase intentions in cross-border e-commerce. More specifically, we examine small businesses from developed and emerging e-commerce markets in the European Union that engage in selling products online across borders (Chapter II) and consumers in Western European countries who buy products at foreign e-stores in distant markets (Chapters III and IV). Each chapter combines a set of drivers from related but distinct research streams that are examined in relation to challenges in the context of cross-border e-commerce. This final chapter discusses the theoretical and managerial contributions and presents directions for future research.

5

### 5.1 THEORETICAL IMPLICATIONS

**Chapter II** contributes to the literature on marketing strategies of small e-retailers in cross-border e-commerce by bringing together insights from different research fields investigating the effectiveness of strategic orientations and looking to understand which orientations impact the deployment of digital marketing tactics and, subsequently, international business performance. Our results show that foreign market orientation has the strongest impact on business performance for e-retailers originating from developed and emerging e-commerce markets, which aligns with earlier findings on foreign market orientation and performance (Musteen et al., 2014; Stoian et al., 2017). In contrast to previous studies (Colton et al., 2010; Lengler et al., 2016; Moen et al., 2016), we demonstrate that the impact of growth orientation is only significant for e-retailers from developed markets and that the impact of consumer orientation is only significant for e-retailers from emerging markets (and negative). The high levels of competition in developed markets could explain this; for e-retailers to grow in a developed market, a higher intention for international expansion is likely to be essential (Banerjee et al., 2015; Yamakawa et al., 2008).

The emphasis on foreign market orientation implies that e-retailers distinguish between home and foreign markets. As such, they should acquire knowledge about their potential foreign customers. It is yet understudied in the literature what appeals to consumers' shopping at foreign e-stores in distant and distinct markets. Therefore,



**Chapter III** investigates what drives Western European consumers' trust and purchases in the two largest cross-border e-commerce markets worldwide: the U.S. and China. This adds to previous research on buying foreign products at local physical stores (country of origin research; Chen et al., 2014; Diamantopoulos et al., 2017; Halkias et al., 2016) and on research about shopping at local e-stores (e-commerce research; Chang and Tseng, 2013, Chiu et al., 2012; Chiu et al., 2014). Our findings show that consumers who have no prior experience with buying from the country of purchase mainly base their trust in foreign e-retailers on their cognitive perceptions when buying from U.S. e-stores (i.e., utilitarian shopping values and the country's stereotypical competence). When buying from Chinese e-stores, they mainly rely on their affective impressions (i.e., hedonic shopping values and the country's stereotypical warmth). These findings align with effect theory (Zajonc, 1980) and research on dominance differences between cognitive and affective factors driving consumer behaviour (Ma et al., 2022). Our study also shows that for consumers who have prior experience with buying from the country of purchase, the differential effects of shopping values and country stereotypes on buying at U.S. and Chinese e-stores become negligible. This suggests that experience with foreign e-stores enhances trust and reduces uncertainties, making people regard the foreign e-store as perhaps more similar to local e-stores. This resonates with research on repurchases in local e-stores (Fang et al., 2014).

Besides store and country perceptions, previous research indicates that individual characteristics also affect consumers' online purchase decisions. As such, **Chapter IV** combines three literature streams, e-commerce, global marketing and human values literature, to understand how three categories of determinants (i.e., e-store attributes, domain-specific values, and human values) influence the preference for buying from Chinese e-stores for various generations (i.e., Baby Boomers, Gen Xers, Millennials, and Gen Zers). Prior research showed that the period a person grew up in determines how a person later in life looks at things and makes decisions (Beugelsdijk et al., 2022; Zan and Fan, 2010), which so far has received scant attention in the business literature. Our results show that resultant conservation values are no longer related to buying intention in younger generations. This contrasts previous studies (Steenkamp and De Jong, 2010) in which this effect was seen as similar across age groups. An explanation for the found difference may be that when a phenomenon is no longer new to a generation, the effect of conservation values disappears. Further, our results shed new light on what various generations of consumers find important in the offers of e-stores. In particular, we find that for younger generations, service evaluations outweigh product evaluations. For older generations the opposite seems true.

## 5.2 MANAGERIAL IMPLICATIONS

The three studies provide insights into the strategic orientations and digital marketing tactics of e-stores and the perceptions, values and characteristics of consumers that small e-retailers can use to shape their cross-border strategies. Based on our research, we would like to make six recommendations for e-retailers to improve their cross-border strategy. First, foreign market orientation is key for small e-retailers from both developed and emerging e-commerce markets. As such, they should prioritise and enhance their foreign market orientation within their firm's strategy. This can be done by, for example, acquiring in-depth knowledge about the structure of and consumer shopping habits in foreign markets and by raising cultural awareness and increasing foreign language skills among their employees.

Second, we suggest that small e-retailers should develop and make use of skills and knowledge needed to use digital marketing tactics effectively. Moreover, using a combination of multiple digital marketing tactics in foreign markets seems recommended. By employing multiple tactics in conjunction, such as SEO, SEA, social media marketing, online advertising and affiliate marketing, a more substantial effect on international business performance might be achieved.

Third, e-retailers pursuing a cross-border e-commerce strategy need to be aware that consumers rely both on their perceptions of the e-store and their perceptions of the country. Concerning consumers' perceptions of the e-store, e-commerce managers should be aware that both utilitarian and hedonic store values contribute to consumers' trust and purchase intentions in cross-border e-commerce. Thus, e-retailers would benefit from implementing both utilitarian (e.g. price comparison and product reviews) and hedonic features (e.g. rich media and community-building initiatives) in their e-store. Besides shopping motives, e-retailers should be aware that product, risk and service perceptions are vital in shaping purchase intentions. Clear information about, for example, the quality and availability of products, the delivery time, terms and conditions and contact options need to be provided in any e-store irrespective of coming from a developed or emerging e-commerce market. Regarding perceptions of the country, e-retailers should recognize that consumers can value the country of origin differently. For example, e-stores from the U.S. are considered competent, whereas e-stores from China are considered warm and entertaining. E-retailers can employ this knowledge to enhance trust among foreign consumers by, for example, mentioning the country of origin (through an image of a flag) in the case of U.S. e-stores and by sensory stimulation and bargain-hunting features in Chinese e-stores.

Finally, e-retailers should consider that generational differences may moderate the effects of store attribute perceptions, domain-specific values and human values on online purchase intention in cross-border e-commerce. Product availability, variety,

and selection may convince Baby Boomers, Gen Xers, and Millennials to purchase at a Chinese e-store, while willingness to help, friendliness and knowledgeability appeal more to Millennials and Gen Zers. Regarding domain-specific values, consumer ethnocentrism seems to function as an inhibitor of purchase intentions across all generations. Foreign e-store managers could consider this by, for example, communicating being closely connected to the consumer's home country (e.g., having a local office or distribution centre). Furthermore, the domain-specific value of sustainable consumption may potentially motivate Millennials to purchase from Chinese e-stores, although the found effect is small. For all generations, foreign e-stores can benefit from emphasising the human value self-enhancement, for instance by offering functions and features that add to a funny and pleasurable shopping experience. To conclude, for the older generations an e-store can inhibit the negative effect of conservation values, particularly by emphasising that the store is safe to purchase from.

### **5.3 DIRECTIONS FOR FUTURE RESEARCH**

Although interest in cross-border e-commerce is growing, it is still an emerging research area that deserves more attention, given this field's rapid development and business importance. This dissertation has gained a broader picture of the drivers of e-retailers and consumers in cross-border e-commerce, nuanced by relevant characteristics defining the growing but complex B2C sales and shopping contexts. We propose four directions for future research. First, while the purchase intention is a widely accepted research construct in social sciences, we acknowledge that purchase intention does not equal actual purchase behaviour. We, therefore, recommend scholars to replicate and extend our work by including actual purchase data. This could be accomplished by asking about purchase data a few months after the survey. Or, in another kind of study, insight into actual purchases could be obtained by asking questions immediately after purchase. In both cases, combining survey data with actual purchase data could lead to interesting opportunities for generating new knowledge.

Second, we conducted studies from a European perspective because the European market is one of the largest B2C cross-border e-commerce markets; moreover, it is complex owing to its various languages, cultures, and regulations. The number of consumers buying online is increasing rapidly in Asia and Latin America, making it worthwhile to investigate, for example, to what extent affective and cognitive components of the store and country perceptions relate to each other when buying across national borders involving these continents.

Third, this dissertation sheds first light on the differences between generational cohorts. We observe clear differences in preferences for e-store attributes between the

generations. In particular, Gen Zers stand out as product and risk preferences do not matter at all, while the influence of service on purchase intention is highest of all generations. We acknowledge, however, that Gen Zers (16 – 25 years old) are still young now and by maturing, their values are expected to change in the next years, with the importance of self-enhancement values decreasing (Leijen et al., 2022). Thus, longitudinal studies can contribute to the generalizability of our findings over time.

Fourth and finally, while the purchase intention is a well-known and established research construct, extending our research to other relevant behavioural constructs could lead to new insights. It would be interesting to study and test the predictive validity of (the variables we used in) our models with dependent variables such as word-of-mouth, service preference (e.g., return policy, delivery times), and loyalty.

## 5.4 MANAGERIAL IMPLICATIONS

This dissertation can help marketers and policymakers increase the success of e-retailers in attracting consumers and selling products in cross-border e-commerce. The first study shows that small e-retailers need to focus on foreign market orientation as part of their marketing strategy. Information on foreign markets and marketing tactics can be obtained from numerous online resources (e.g., Statista, 2022f). E-retailers can also make use of specialized agencies to overcome the challenges in foreign markets. Small e-retailers should consider employing a combination of digital marketing strategies to attract potential foreign customers to the e-stores. Common tactics such as search engine optimization, search engine advertising, and social media marketing can be supplemented with digital marketing campaigns such as online advertising and affiliate marketing. Next, e-retailers must provide dynamic content on their website to ensure that the visitors trust them and convert into buyers. E-retailers could inform their foreign customers about interesting online offers that indicate a good buy, and remind them of the fun of shopping at a foreign e-store. Cues linking the e-store to a particular country can help convey a favourable association from the country to the e-store. Furthermore, e-retailers must ensure that they offer a diverse and broad product assortment, a website that explicitly provides knowledge and expresses a willingness to help, and complement this with clear information about shipping and return procedures. Finally, projecting the adventurousness of buying from foreign e-stores will appeal to consumers' willingness to buy products abroad. Our research clearly shows that distinguishing between target groups matters. Foreign e-retailers need to be aware of generations, consumers from countries culturally and historically related to the country where the e-store is located and those from more distant countries, and inexperienced and experienced buyers. Picking up consumer characteristics is thus critical to boosting international business

results (Tolstoy et al., 2022). Through marketing analytics, e-retailers can gather valuable data about international visitors to their website and their foreign customers so they can then tailor campaigns, product offers, and information about their e-stores.

Finally, the findings of this dissertation can benefit local e-retailers whose survival is constantly threatened by competition from abroad. Local e-retailers can offer better value to consumers by leveraging the advantages inherent in the context and competing on local relevance. They can feature their localness on their websites prominently and incorporate it into their messages through social media channels. These messages should highlight the fact that they are part of the local economy.

## **5.5 DIRECTIONS FOR FUTURE RESEARCH**

Although interest in cross-border e-commerce is growing, it is still an emerging research area that deserves more attention given the rapid development and business importance of this field. This dissertation has gained a broader picture of the drivers of e-retailers and consumers in cross-border e-commerce, nuanced by relevant characteristics defining the growing but complex B2C sales and shopping contexts. We propose three directions for future research. First, combining survey with sales data offers opportunities to test our model with additional measures. For example, by asking questions immediately after a purchase, the answers can be directly linked to the content and value of the shopping cart. Second, we conducted studies from a European perspective because the European market is one of the largest B2C cross-border e-commerce markets; moreover, it is complex owing to its various languages, cultures, and regulations. The number of consumers buying online is increasing rapidly in Asia and Africa, making it worthwhile to investigate, for example, to what extent affective and cognitive components of the store and country perceptions relate to each other when buying across national borders involving these continents. Third, this dissertation makes the differences between generational cohorts clear. Studies have shown that most human values stabilize over time, but we find Gen Zers still young now (25 or younger) and their values may change in the next years (Leijen et al., 2022). Thus, longitudinal studies can contribute to the generalizability of our findings over time. What matters now may not matter in five or ten years.

# References

- Alford P and Jones R (2020) The lone digital tourism entrepreneur: Knowledge acquisition and collaborative transfer. *Tourism Management* 81(June): 104–139.
- Alkire L, O'Connor GE, Myrden S and Köcher S (2020) Patient experience in the digital age: An investigation into the effect of generational cohorts. *Journal of Retailing and Consumer Services* (57): 102221.
- Argote L and Miron-Spektor E (2011) Organizational learning: From experience to knowledge. *Organization Science* 22(5): 1123–1137.
- Armstrong G, Kotler P, Harker M and Brennan R (2012) *Marketing: An Introduction*. London: Pearson Prentice-Hall.
- Arrow KJ (1971) The economic implications of learning by doing. In: Hahn FH (ed.) *Readings in the Theory of Growth*. London: Palgrave Macmillan: pp. 131–149.
- Ashraf AR, Thongpapanl N and Auh S (2014) The application of the technology acceptance model under different cultural contexts: The case of online shopping adoption. *Journal of International Marketing* 22(3): 68–93.
- Autio E, Pathak S and Wennberg K (2013) Consequences of cultural practices for entrepreneurial behaviors. *Journal of International Business Studies* 44(4): 334–362.
- Baack DW and Singh N (2007) Culture and Web Communications. *Journal of Business Research*. 60(3): 181–188.
- Babin B, Darden W and Griffin M (1994) Work and/or Fun : Utilitarian Shopping Value. *Journal of Consumer Research* 20 (4): 644–657.
- Balabanis G and Diamantopoulos A (2004) Domestic country bias, country-of-origin effects, and consumer. *Journal of the Academy of Marketing Science* 32(1): 80–95.
- Balabanis G, Mueller R and Melewar TC (2002) The human values' lenses of country-of-origin images. *International Marketing Review* 19(6): 582–610.
- Balabanis G and Siamagka NT (2017) Inconsistencies in the behavioral effects of consumer ethnocentrism: The role of brand, product category and country of origin. *International Marketing Review* 34(2): 166–182.

- Bamiatzi VC and Kirchmaier T (2014) Strategies for superior performance under adverse conditions: A focus on small and medium-sized high-growth firms. *International Small Business Journal* 32(3): 259–284.
- Banerjee S, Prabhu JC and Chandy RK (2015) Indirect learning: How emerging-market firms grow in developed markets. *Journal of Marketing* 79(1): 10–28.
- Bart Y, Shankar V, Sultan F and Urban GL (2005) Are the Drivers and Role of Online Trust the same for all Web Sites and Consumers? A Large-Scale Exploratory Empirical Study. *Journal of Marketing* 69 (4): 133–152.
- Bartikowski B and Singh N (2014) Should all firms adapt websites to international audiences? *Journal of Business Research* 67(3): 246–252.
- Batra R and Ahtola OT (1991) Measuring the Hedonic and Utilitarian Sources of Consumer Attitudes. *Marketing Letter*, 2(2): 159–170.
- Baum M, Schwens C and Kabst R (2011) A typology of international new ventures: Empirical evidence from high-technology industries. *Journal of Small Business Management* 49(3): 305–330.
- Baumgartner H and Weijters B (2021) Dealing with Common Method Variance in International Marketing Research. *Journal of International Marketing* 29(3): 7–22.
- Beatty P, Reay I, Dick S and Miller J (2011) Consumer Trust in E-Commerce Web Sites: A Meta-Study. *ACM Computing Surveys* 43(3): Article 14.
- Beldad A, De Jong M and Steehouder M (2010) How Shall I Trust the Faceless and the Intangible? A Literature Review on the Antecedents of Online Trust. *Computers in Human Behavior* 26(5): 857–869.
- Bento M, Martinez LM and Martinez LF (2018) Brand engagement and search for brands on social media: Comparing Generations X and Y in Portugal. *Journal of Retailing and Consumer Services* 43: 234–241.
- Benton G and Pieke FN (2016) *The Chinese in Europe*. London: Macmillan.
- Beugelsdijk S, van Herk H and Maseland R (2022) The nature of societal conflict in Europe; an Archetypal analysis of the postmodern cosmopolitan, rural traditionalist and Urban precariat. *JCMS: Journal of Common Market Studies* 60(6): 1701–1722.
- Bhatia, NL, Shukla VK, Ritu Punhani and Dubey SK (2021) Growing Aspects of Cyber Security in E-Commerce. In *2021 International Conference on Communication information and Computing Technology (ICCICT)*: pp. 1–6.
- Bimbo F, Russo C, Di Fonzo A and Nardone G (2020) Consumers' environmental responsibility and their purchase of local food: Evidence from a large-scale survey. *British Food Journal* 123(5): 1853–1874.

- Bocconcelli R, Cioppi M, Fortezza F, Francioni B, Pagano A, Savelli E and Splendiani S (2018) SMEs and marketing: A systematic literature review. *International Journal of Management Reviews* 20(2): 227–254.
- Bouman T, Verschoor M, Albers CJ, Böhm G, Fisher SD, Poortinga W, ... Steg L (2020) When worry about climate change leads to climate action: How values, worry and personal responsibility relate to various climate actions. *Global Environmental Change* 62: 102061.
- Brislin RW (1970) Back-translation for cross-cultural research. *Journal of Cross-Cultural Psychology* 1(3): 185–216.
- Brockman BK, Jones MA and Becherer RC (2012) Customer orientation and performance in small firms: Examining the moderating influence of risk-taking, innovativeness, and opportunity focus. *Journal of Small Business Management* 50(3): 429–446.
- Brosdahl DJ and Carpenter JM (2011) Shopping orientations of US males: A generational cohort comparison. *Journal of Retailing and Consumer Services* 18(6): 548–554.
- Bryła P (2019) Regional ethnocentrism on the food market as a pattern of sustainable consumption. *Sustainability* 11(22): 6408.
- Bücker JLE and Korzilius H (2015) Developing cultural intelligence: Assessing the effect of the Ecotonos cultural simulation game for international business students. *The International Journal of Human Resource Management* 26(15): 1995–2014.
- Bulut ZA, Kökalan Çimrin F and Doğan O (2017) Gender, generation and sustainable consumption: Exploring the behavior of consumers from Izmir, Turkey. *International Journal of Consumer Studies* 41(6): 597–604.
- Chaffey D and Ellis-Chadwick F (2019) *Digital Marketing: Strategy, Implementation and Practice*. Harlow: Pearson.
- Chand M and Markova G (2019) The European Union's aging population: Challenges for human resource management. *Thunderbird International Business Review* 61(3): 519–529.
- Chang EC and Tseng YF (2013) Research Note: E-Store Image, Perceived Value and Perceived Risk. *Journal of Business Research* 66(7): 864–887.
- Chattalas M, Kramer T and Takada H (2008) The Impact of National Stereotypes on the Country of Origin Effect: A Conceptual Framework. *International Marketing Review* 25(1): 54–74.
- Chaparro-Peláez J, Agudo-Peregrina ÁF and Pascual-Miguel FJ (2016) Conjoint analysis of drivers and inhibitors of e-commerce adoption. *Journal of Business Research* 69(4): 1277–1282.



- Chen CY, Mathur P and Maheswaran D (2014) The Effects of Country-Related Affect on Product Evaluations. *Journal of Consumer Research* 41(4): 1033–1046.
- Chen Y and Barnes S (2007) Initial Trust and Online Buyer Behaviour. *Industrial Management & Data Analysis* 107(1): 21–36.
- Childers TL, Carr CL, Peck J and Carson S (2001) Hedonic and Utilitarian Motivations for Online Retail Shopping Behavior. *Journal of Retailing* 77(4): 511–535.
- Chiu CM, Hsu MH, Lai H and Chang CM (2012) Re-Examining the Influence of Trust on Online Repeat Purchase Intention: The Moderating Role of Habit and Its Antecedents. *Decision Support Systems* 53(4): 835–845.
- Chiu CM, Wang ETG, Fang YH and Huang HY (2014). Understanding Customers' Repeat Purchase Intentions in B2C e-Commerce: The Roles of Utilitarian Value, Hedonic Value and Perceived Risk. *Information Systems Journal* 24(1): 85–114.
- Cleveland M, Laroche M and Papadopoulos N (2009) Cosmopolitanism, consumer ethnocentrism, and materialism: An eight-country study of antecedents and outcomes. *Journal of International Marketing* 17(1): 116–146.
- Colton DA, Roth MS and Bearden WO (2010) Drivers of international e-tail performance: The complexities of orientations and resources. *Journal of International Marketing* 18(1): 1–22.
- Couper CA, Reuber R and Prashantham S (2020). Lost That Lovin' Feeling: The Erosion of Trust between Small, High-Distance Partners. *Journal of International Business Studies* 51(3): 326–352.
- Cuddy AJS, Fiske ST and Glick P (2008) Warmth and Competence as Universal Dimensions of Social Perception: The Stereotype Content Model and the BIAS Map. *Advances in Experimental Social Psychology* 40: 61–149.
- Cui Y, Mou J, Cohen J and Liu Y (2019) Understanding information system success model and valence framework in sellers' acceptance of cross-border e-commerce: A sequential multi-method approach. *Electronic Commerce Research* 19(4): 885–914.
- Curran T and Hill AP (2019) Perfectionism is increasing over time: A meta-analysis of birth cohort differences from 1989 to 2016. *Psychological Bulletin* 145(4): 410–429.
- Curtis F (2003) Eco-localism and sustainability. *Ecological Economics* 46(1): 83–102.
- Cyr D (2008) Modeling web site design across cultures: Relationships to trust, satisfaction, and E-Loyalty. *Journal of Management Information Systems* 24(4): 47–72.
- Cyr D (2013) Website Design, Trust and Culture: An Eight Country Investigation. *Electronic Commerce Research and Applications* 12(6): 373–385.

- Davidov E, Seddig D, Gorodzeisky A, Raijman R, Schmidt P and Semyonov M (2020) Direct and indirect predictors of opposition to immigration in Europe: Individual values, cultural values, and symbolic threat. *Journal of Ethnic and Migration Studies* 46(3): 553–573.
- Delhey J, Newton K and Welzel C (2011) How general is trust in “most people”? Solving the radius of trust problem. *American Sociological Review* 76(5): 786–807.
- De Moura Engracia Giraldo J and Ikeda AA (2009) Personal values and the ‘country-of-origin effect’: the moderating role of consumers’ demographics. *International Journal of Consumer Studies* 33(3): 309–315.
- De Vijver F and Hambleton RK (1996) Translating tests. *European Psychologist* 1(2): 89–99.
- Diamantopoulos A, Florack A, Halkias G and Palcu J (2017) Explicit versus Implicit Country Stereotypes as Predictors of Product Preferences: Insights from the Stereotype Content Model. *Journal of International Business Studies* 48(8): 1023–1036.
- Diamantopoulos A, Schlegelmilch BB, Sinkovics RR and Bohlen GM (2003) Can socio-demographics still play a role in profiling green consumers? A review of the evidence and an empirical investigation. *Journal of Business Research* 56(6): 465–480.
- Dinev T and Hart P (2006) An extended privacy calculus model for e-commerce transactions. *Information Systems Research* 17(1): 61–80.
- Doney PM, Cannon JP and Mullen MR (1998) Understanding the Influence of National Culture on the Development of Trust. *Academy of Management Review* 23(3): 601–602.
- Eastman JK and Liu J (2012) The impact of generational cohorts on status consumption: an exploratory look at generational cohort and demographics on status consumption. *Journal of Consumer Marketing* 29(2): 93–102.
- Ecommerce Europe (2021) Impact of the Coronavirus on E-commerce, Survey Results Report. Available at: <https://www.ecommerce-europe.eu/wp-content/uploads/2021/01/Coronavirus-Survey-Report-January-2021.pdf> (accessed 20 February 20 2021).
- Ecommerce Foundation (2016) Ecommerce Benchmark & Retail Report 2016. Amsterdam. Available at: <https://www.ecommerce-europe.eu/wp-content/uploads/2016/06/Ecommerce-Benchmark-Retail-Report-2016.pdf> (accessed 8 January 2019).
- Eger L, Komárková L, Egerová D and Mičík M (2021) The effect of COVID-19 on consumer shopping behavior: Generational cohort perspective. *Journal of Retailing and Consumer Services* 61: 102542.

- Eggers F, Hatak I, Kraus S and Niemand T (2017) Technologies that support marketing and market development in SMEs – Evidence from social networks. *Journal of Small Business Management* 55(2): 270–302.
- Egri CP and Ralston DA (2004) Generation cohorts and personal values: A comparison of China and the United States. *Organization Science* 15(2): 210–220.
- Ertug G, Cuypers IRP, Noorderhaven NG and Bensaou BM (2013) Trust between International Joint Venture Partners: Effects of Home Countries. *Journal of International Business Studies* 44(3): 263–282.
- Eurobarometer (2006) Europeans and their Languages. Brussels: European Commission. Available at: <https://www.europeansources.info/record/europeans-and-their-languages/> (accessed 8 January 2019).
- European Commission (2020) An SME Strategy for a Sustainable and Digital Europe. Brussels:
- European Commission. Available at: [https://www.ecec.net/fileadmin/user\\_upload/ECEC-Statement\\_SME-Strategy.pdf](https://www.ecec.net/fileadmin/user_upload/ECEC-Statement_SME-Strategy.pdf) (accessed 8 January 2019).
- European Social Survey (2020) ESS round 10 - 2020. Democracy, Digital social contacts. <https://ess-search.nsd.no/en/study/172ac431-2a06-41df-9dab-c1fd8f3877e7> (accessed 17 May 2021).
- Fang Y, Qureshi I, Sun H, McCole P, Ramsey E and Lim KH (2014) Trust, Satisfaction, and Online Repurchase Intention: The Moderating Role of Perceived Effectiveness of e-Commerce Institutional Mechanisms. *MIS Quarterly* 38(2): 407–427.
- Fiske ST, Cuddy AJC, Glick P and Xu J (2002) A Model of (Often Mixed) Stereotype Content: Competence and Warmth Respectively Follow from Perceived Status and Competition. *Journal of Personality and Social Psychology* 82(6): 878–902.
- Flint C (2021) *Introduction to Geopolitics*. London and New York: Routledge.
- Foddy M, Platow MJ and Yamagishi T (2009) Group-based trust in strangers: The role of stereotypes and expectations. *Psychological Science* 20(4): 419–422.
- Fornell C and Larcker DF (1981) Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research* 18(1): 39–50.
- Forrester Research (2019) Forrester Analytics: Online Cross-border Retail Forecast, 2018 to 2023 (Global). Cambridge: Forrester Research Inc. Available at: <https://www.forrester.com/report/Forrester-Analytics-Online-CrossBorder-Retail-Forecast-2018-To-2023-Global/RES153276> (accessed 8 January 2019).
- Forsythe SM and Shi B (2003) Consumer patronage and risk perceptions in Internet shopping. *Journal of Business Research* 56(11): 867–875.

- Frambach RT, Fiss PC and Ingenbleek PTM (2016) How important is customer orientation for firm performance? A fuzzy set analysis of orientations, strategies, and environments. *Journal of Business Research* 69(4): 1428–1436.
- Frambach RT and Nijssen EJ (2017) *Marketingstrategie: praktische inzichten voor een succesvol marketingplan*. Groningen/Houten: Noordhoff.
- Gabrielova K and Buchko AA (2021) Here comes Generation Z: Millennials as managers. *Business Horizons* 64(4): 489–499.
- Ganesh J, Reynolds KE, Luckett M and Pomirleanu N (2010) Online shopper motivations, and e-store attributes: An examination of online patronage behavior and shopper typologies. *Journal of Retailing* 86(1): 106–115.
- Gefen D (2002) Customer loyalty in e-commerce. *Journal of the Association for Information Systems* 3(1): 27–51.
- Gefen D, Karahanna E and Straub DW (2003) Trust and TAM in Online Shopping: An Integrated Model. *MIS Quarterly* 27(1): 51–59.
- GlobeNewswire (2020) Western European B2C E-Commerce Market Analysis, 2019 - China-based AliExpress is Gaining Popularity Among Western European Digital Buyers. Available at: <https://www.globenewswire.com/news-release/2020/01/20/1972411/0/en/Western-European-B2C-E-Commerce-Market-Analysis-2019-China-based-AliExpress-is-Gaining-Popularity-Among-Western-European-Digital-Buyers.html> (accessed 14 January 2021).
- Goldman SPK, Van Herk H, Verhagen T and Weltevreden JWJ (2021) Strategic orientations and digital marketing tactics in cross-border e-commerce: Comparing developed and emerging markets. *International Small Business Journal* 39(4): 350–371.
- Grimmer L, Miles MP, Byrom J and Grimmer M. (2017) The impact of resources and strategic orientation on small retail firm performance. *Journal of Small Business Management* 55: 7–26.
- Guido G, Peluso AM, Capestro M and Miglietta M (2015) An Italian Version of the 10-Item Big Five Inventory: An Application to Hedonic and Utilitarian Shopping Values. *Personality and Individual Differences* 76: 135–140.
- Gupta S, and Kim HW (2010) Value-Driven Internet Shopping: The Mental Accounting Theory Perspective. *Psychology & Marketing* 27(1): 13–35.
- Halkias G, Davvetas V and Diamantopoulos A (2016) The Interplay between Country Stereotypes and Perceived Brand Globalness/Localness as Drivers of Brand Preference. *Journal of Business Research* 69(9): 3621–3628.

- Harkness J, Pennell B-E and Schoua-Glusberg A (2004) Survey questionnaire translation and assessment. In: Presser S, Rothgeb J, Couper M, et al. (eds) *Methods for Testing and Evaluating Survey Questionnaires*. Hoboken, NJ: John Wiley & Sons, Inc, pp. 453–473.
- Harzing A-W (2000) Cross-national industrial mail surveys: Why do response rates differ between countries? *Industrial Marketing Management* 29(3): 243–254.
- Henseler J, Ringle CM and Sarstedt M (2015) A new criterion for assessing discriminant validity in variancebased structural equation modeling. *Journal of the Academy of Marketing Science* 43(1): 115–135.
- Hernández B, Jiménez J and José Martín M (2010) Customer Behavior in Electronic Commerce: The Moderating Effect of e-Purchasing Experience. *Journal of Business Research* 63(9/10): 964–971.
- Herrando C, Jimenez-Martinez J and Martin-De Hoyos MJ (2019) Tell me your age and I tell you what you trust: The moderating effect of generations. *Internet Research* 29(4): 799–817.
- Hogan MJ (1989) *The Marshall Plan: America, Britain and the Reconstruction of Western Europe: 1947-1952*. Cambridge: Cambridge University Press.
- Hu LT and Bentler PM (1999) Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal* 6(1): 1–55.
- Huang MH (2005) Web Performance Scale. *Information and Management* 42(6): 841–852.
- Huang SL and Chang YC (2019) Cross-border e-commerce: consumers' intention to shop on foreign websites. *Internet Research* 29(6): 1256–1279.
- Hulland J, Baumgartner H and Smith KM (2018) Marketing survey research best practices: Evidence and recommendations from a review of JAMS articles. *Journal of the Academy of Marketing Science* 46(1): 92–108.
- Iacobucci D (2010) Structural equations modeling: Fit indices, sample size, and advanced topics. *Journal of Consumer Psychology* 20(1): 90–98.
- International Post Corporation (2019) Cross-border E-commerce Shopper Survey. Available at: <https://www.ipc.be/services/markets-and-regulations/cross-border-shopper-survey> (accessed 14 January 2021).
- Ivanova O, Flores-Zamora J, Khelladi, I and Ivanaj S (2018) The generational cohort effect in the context of responsible consumption. *Management Decision* 57(5): 1162–1183.
- Jackson V, Stoel L and Brantley A (2011) Mall attributes and shopping value: Differences by gender and generational cohort. *Journal of Retailing and Consumer Services* 18(1), 1–9.

- Jarvenpaa SL, Tractinsky N and Vitale M (2000) Consumer Trust in an Internet Store. *Information Technology and Management* 1(1): 45–71.
- Javalgi RG and Todd PR (2011) Entrepreneurial orientation, management commitment, and human capital: The internationalization of SMEs in India. *Journal of Business Research* 64(9): 1004–1010.
- Jiménez NH and San Martín S (2010) The Role of Country-of-Origin, Ethnocentrism and Animosity in Promoting Consumer Trust. The Moderating Role of Familiarity. *International Business Review* 19(1): 34–45.
- Jiménez NH and San Martín S (2014) The Mediation of Trust in Country-of-Origin Effects across Countries. *Cross Cultural Management* 21(2): 150–171.
- Jones MA, Reynolds KE and Arnold MJ (2006) Hedonic and Utilitarian Shopping Value: Investigating Differential Effects on Retail Outcomes. *Journal of Business Research* 59(9): 974–981.
- Jones R and Rowley J (2011) Entrepreneurial marketing in small businesses: A conceptual exploration. *International Small Business Journal* 29(1): 25–36.
- Joy A, Sherry Jr JF, Venkatesh A, Wang J and Chan R (2012) Fast fashion, sustainability, and the ethical appeal of luxury brands. *Fashion Theory* 16(3): 273–295.
- Kaltcheva VD and Weitz BA (2006) When Should a Retailer Create an Exciting Store Environment? *Journal of Marketing* 70(1): 107–118.
- Kanchanapibul M, Lacka E, Wang X and Chan HK (2014) An empirical investigation of green purchase behaviour among the young generation. *Journal of Cleaner Production* 66: 528–536.
- Kannan PK and Li A (2017) Digital marketing: A framework, review and research agenda. *International Journal of Research in Marketing* 34(1): 22–45.
- Kervyn N, Fiske ST and Malone C (2012) Brands as intentional agents framework: How perceived intentions and ability can map brand perception. *Journal of Consumer Psychology* 22(2): 166–176.
- Kim TY, Dekker R and Heij C (2017) Cross-border electronic commerce: Distance effects and express delivery in European Union markets. *International Journal of Electronic Commerce* 21(2): 184–218.
- Kim J, Fiore AM, and Lee HH (2007) Influences of Online Store Perception, Shopping Enjoyment, and Shopping Involvement on Consumer Patronage Behavior towards an Online Retailer. *Journal of Retailing and Consumer Services* 14(2): 95–107.
- Kim Y and Peterson RA (2017) A Meta-analysis of Online Trust Relationships in E-commerce. *Journal of Interactive Marketing* 38: 44–54.

- Kline, RB (2015) *Principles and practice of structural equation modeling*. New York: Guilford publications.
- Knight GA and Liesch PW (2016) Internationalization: From incremental to born global. *Journal of World Business* 51(1): 93–102.
- Kopplin CS and Rösch SF (2021) Equifinal causes of sustainable clothing purchase behavior: An fsQCA analysis among Generation Y. *Journal of Retailing and Consumer Service* 63: 102692.
- Korsakiene R and Tvaronavičiene M (2012) The internationalization of SMEs: An integrative approach. *Journal of Business Economics and Management* 13(2): 294–307.
- Kraus S, Gast J, Schleich M, Jones P and Ritter M (2019) Content is king: How SMEs create content for social media marketing under limited resources. *Journal of Macromarketing* 39(4): 415–430.
- Kuschel N (2020) Cross-border E-commerce Growth during the Pandemic. FIS Global <https://www.fisglobal.com/en/insights/merchant-solutions-worldpay/article/cross-border-e-commerce-growth-during-the-pandemic> (accessed 14 January 2021).
- Lam W and Harker MJ (2015) Marketing and entrepreneurship: An integrated view from the entrepreneur's perspective. *International Small Business Journal: Researching Entrepreneurship* 33(3): 321–348.
- Laukkanen T, Nagy G, Hirvonen S, Reijonen H and Pasanen M (2013) The effect of strategic orientations on business performance in SMEs: A multigroup analysis comparing Hungary and Finland. *International Marketing Review* 30(6): 510–535.
- Lee JA, Bardi A, Gerrans P, Sneddon J, Van Herk H, Evers U and Schwartz S (2022) Are value–behavior relations stronger than previously thought? It depends on value importance. *European Journal of Personality* 36(2): 133–148.
- Leeflang PSH, Verhoef PC, Dahlström P and Freundt T (2014) Challenges and solutions for marketing in a digital era. *European Management Journal* 32(1): 1–12.
- Leijen I, van Herk H and Bardi A (2022) Individual and generational value change in an adult population, a 12-year longitudinal panel study. *Scientific Reports* 12(1): 17844.
- Lemon KN and Verhoef PC (2016) Understanding customer experience throughout the customer journey. *Journal of Marketing* 80(6): 69–96.
- Lengler JFB, Sousa CMP, Perin MG, Sampaio CH and Martínez-López FJ (2016) The antecedents of export performance of Brazilian small and medium-sized enterprises (SMEs): The non-linear effects of customer orientation. *International Small Business Journal: Researching Entrepreneurship* 34(5): 701–727.

- Li J, Yao Y, Xu Y, Li J, Wei L and Zhu X (2019) Consumer's risk perception on the Belt and Road countries: Evidence from the cross-border e-commerce. *Electronic Commerce Research* 19(4): 823–840.
- Lim EAC and Ang SH (2008) Hedonic vs. Utilitarian Consumption: A Cross-Cultural Perspective Based on Cultural Conditioning. *Journal of Business Research* 61(3): 225–232.
- Lindsay S (2021) Global voices full report. ESW. Available at: <https://esw.com/global-voices/global-voices-2021-cross-border-shopper-insights/> (accessed 17 October 2022).
- Lissitsa S and Kol O (2016) Four generational cohorts and hedonic m-shopping: association between personality traits and purchase intention. *Electronic Commerce Research* 21: 545–570.
- Liu F, Lim ETK, Li H, Tan CW and Cyr D (2020) Disentangling Utilitarian and Hedonic Consumption Behavior in Online Shopping: An Expectation Disconfirmation Perspective. *Information and Management* 57(3): 103–199.
- Liu J, Zhu Y, Serapio MG and Cavusgil ST (2019) The new generation of millennial entrepreneurs: A review and call for research. *International Business Review* 28(5): 101581.
- Lone S, Harboul N and Weltevreden JWJ (2021). *2021 European e-commerce report*. Amsterdam/Brussels: Amsterdam University of Applied Sciences.
- Lord MD and Ranft AL (2000) Organizational learning about new international markets: Exploring the internal transfer of local market knowledge. *Journal of International Business Studies* 31(4): 573–589.
- Ma L, Song Z and Bian X (2022) The Asymmetric Dominance of Cognitive versus Affective Country Image in Driving Purchase: Conditioning Roles of Cognition-Affect Intra-Valence Nature and Product Type. *International Business Review* 31: 102007.
- Maher AA and Carter LL (2011) The Affective and Cognitive Components of Country Image: Perceptions of American Products in Kuwait. *International Marketing Review* 28(6): 559–580.
- Maheswaran D (1994) Country of Origin as a Stereotype: Effects of Consumer Expertise and Attribute Strength on Product Evaluations. *Journal of Consumer Research* 21(2): 354–365.
- Mannheim K (1952) *The problem of generations*. In Keszckemeti P (Ed.) *Essays on the Sociology of Knowledge* (276–320). Routledge and Kegan Paul, London UK: 276–320.
- Mayer RC, Davis JH and Schoorman FD (1995) An Integrative Model of Organizational Trust. *Academy of Management Review* 20(3): 709–734.



- Mazzarol T (2015) SMEs engagement with e-commerce, e-business and e-marketing. *Small Enterprise Research* 22(1): 79–90.
- McKinsey Company (2013) How Retailers Can Keep Up with Consumers. McKinsey & Company (October), pp. 1–10. Available at: <https://www.mckinsey.com/industries/retail/our-insights/how-retailers-can-keep-up-with-consumers> (accessed 8 January 2019).
- Meents S and Verhagen T (2018) Reducing consumer risk in electronic marketplaces: The signaling role of product and seller information. *Computers in Human Behavior* 86: 205–217.
- Meriac JP, Woehr DJ and Banister C (2010) Generational differences in work ethic: An examination of measurement equivalence across three cohorts. *Journal of Business and Psychology* 25(2): 315–324.
- Merriman M (2022). Is your business ready for Gen Z? EY. Available at: [https://www.ey.com/en\\_gl/digital/generation-z-millennial](https://www.ey.com/en_gl/digital/generation-z-millennial) (accessed 17 October 2022).
- Michaelis M, Woisetschläger DM, Backhaus C and Ahlert D (2008) The Effects of Country of Origin and Corporate Reputation on Initial Trust: An Experimental Evaluation of the Perception of Polish Consumers. *International Marketing Review* 25(4): 404–422.
- Moen O, Heggeseth AG and Lome O (2016) The positive effect of motivation and international orientation on SME growth. *Journal of Small Business Management* 54(2): 659–678.
- Morgan-Thomas A (2016) Rethinking technology in the SME context: Affordances, practices and ICTs. *International Small Business Journal: Researching Entrepreneurship* 34(8): 1122–1136.
- Mou J, Cohen J, Dou Y and Zhang B (2019) International buyers' repurchase intentions in a Chinese cross-border e-commerce platform: A valence framework perspective. *Internet Research* 30(2): 403–437.
- MSCI (2018) Market classification. Available at: <https://www.msci.com/market-classification> (accessed 8 January 2019).
- Musteen M, Datta DK and Butts MM (2014) Do international networks and foreign market knowledge facilitate SME internationalization? Evidence from the Czech Republic. *Entrepreneurship Theory and Practice* 38(4): 749–774.
- Muthitacharoen A, Palvia PC and Grover V (2011) Building a model of technology preference: The case of channel choices. *Decision Sciences* 42(1): 205–237.

- Nakamichi K, Hanaoka S, Kawahara Y (2016) Estimation of cost and CO2 emissions with a sustainable cross-border supply chain in the automobile industry: A case study of Thailand and neighboring countries. *Transportation Research Part D: Transport and Environment* 43: 158–168.
- Narver JC and Slater SF (1990) The effect of marketing orientation on business profitability. *Journal of Marketing* 54(4): 20–35.
- Nejati M, Quazi A, Amran A and Amran A (2017) Social responsibility and performance: Does strategic orientation matter for small businesses? *Journal of Small Business Management* 55: 43–59.
- Nguyen T (2019) Gen Z doesn't know a world without fast fashion. Available at: <https://www.vox.com/the-goods/2021/7/19/22535050/gen-z-relationship-fast-fashion> (accessed 21 November 2022).
- Nijssen EJ and Van Herk H (2009) Conjoining International Marketing and Relationship Marketing: Exploring Consumers' Cross-Border Service Relationships. *Journal of International Marketing* 17(1): 91–115.
- Niu B, Wang J, Lee CK and Chen L (2019) "Product+ logistics" bundling sale and co-delivery in cross-border e-commerce. *Journal of Electronic Commerce Research* 19(4), 915–941.
- Nolan M (2012) *The Transatlantic Century: Europe and America, 1890—2010*, Vol. 46. Cambridge University Press.
- Norris P and Inglehart R (2019) *Cultural Backlash: Trump, Brexit, and Authoritarian Populism*. Cambridge University Press.
- Nunnally JC (1978) *Psychometric Theory*. 2nd ed. New York: McGraw-Hill.
- Nunnally JC and Bernstein IH (1994) *Psychometric Theory*. 3rd ed. New York: McGraw-Hill.
- Oberecker EM and Diamantopoulos A (2011) Consumers' Emotional Bonds with Foreign Countries: Does Consumer Affinity Affect Behavioral Intentions? *Journal of International Marketing* 19(2): 45–72.
- Okada EM (2005) Justification Effects on Consumer Choice of Hedonic and Utilitarian Goods. *Journal of Marketing Research* 42(1): 43–53.
- Overby JW and Lee EJ (2006) The Effects of Utilitarian and Hedonic Online Shopping Value on Consumer Preference and Intentions. *Journal of Business Research* 59(10–11): 1160–66.
- Park HJ and Lin LM (2020) Exploring attitude–behavior gap in sustainable consumption: Comparison of recycled and upcycled fashion products. *Journal of Business Research* 117: 623–628.

- Parment A (2013) Generation Y vs. Baby Boomers: Shopping behavior, buyer involvement and implications for retailing. *Journal of Retailing and Consumer Services* 20(2): 189–199.
- Peng MW, Wang DYL and Jiang Y (2008) An institution-based view of international business strategy: A focus on emerging economies. *Journal of International Business Studies* 39(5): 920–936.
- Petro G (2021) Gen Z is emerging as the sustainability generation. Forbes. Available at: <https://www.forbes.com/sites/gregpetro/2021/04/30/gen-z-is-emerging-as-the-sustainability-generation/?sh=386989cb8699> (accessed 18 October 2022).
- Peukert C, Bechtold S, Batikas M and Kretschmer T (2022) Regulatory Spillovers and Data Governance: Evidence from the GDPR. *Marketing Science* 41(4): 746–68.
- Pew Research Center (2019) Country Specific Methodology. Available at: <https://www.pewresearch.org/methodology/international-survey-research/international-methodology/all-survey/all-country/all-year> (accessed 14 January 2021).
- Podsakoff PM, MacKenzie SB, Lee JY and Podsakoff NP (2003) Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology* 88(5): 879–903.
- Poortinga W, Whitmarsh L, Steg L, Böhm G and Fisher S (2019) Climate change perceptions and their individual-level determinants: A cross-European analysis. *Global Environmental Change* 55: 25–35.
- Prasad S, Garg A and Prasad S (2019) Purchase decision of generation Y in an online environment. *Marketing Intelligence & Planning* 37(4): 372–385.
- Priporas CV, Stylos N and Fotiadis AK (2017) Generation Z consumers' expectations of interactions in smart retailing: A future agenda. *Computers in Human Behavior* 77: 374–381.
- Qi X, Chan JH, Hu J and Li Y (2020) Motivations for selecting cross-border e-commerce as a foreign market entry mode. *Industrial Marketing Management* 89: 50–60.
- R Core Team (2017) *The R Project for Statistical Computing*. Available at: <https://www.r-project.org/> (accessed 8 January 2019).
- Roggeveen AL, Grewal D, Townsend C and Krishnan R (2015) The impact of dynamic presentation format on consumer preferences for hedonic products and services. *Journal of Marketing* 79(6): 34–49.
- Roschk H, Müller J and Gelbrich K (2013) Age matters: How developmental stages of adulthood affect customer reaction to complaint handling efforts. *Journal of Retailing and Consumer Services* 20(2): 154–164.

- Rosseel Y (2012) Lavaan: An R package for structural equation modeling. *Journal of Statistical Software* 48: 1–33.
- Rossiter JR (2002) The C-OAR-SE procedure for scale development in marketing. *International Journal of Research in Marketing* 19(4): 305–335.
- Rubera G, Ordanini A and Griffith DA (2011) Incorporating cultural values for understanding the influence of perceived product creativity on intention to buy: An examination in Italy and the US. *Journal of International Business Studies* 42(4): 459–476.
- Rust RT, Ambler T, Carpenter GS, Kumar V and Srivastava RK (2004) Measuring marketing productivity: Current knowledge and future directions. *Journal of Marketing* 68(4): 76–89.
- Saura JR, Palos-Sánchez P and Cerdá Suárez LM (2017) Understanding the Digital Marketing Environment with KPIs and Web Analytics. *Future Internet* 9(4): 76.
- Scarpi D (2012) Work and Fun on the Internet: The Effects of Utilitarianism and Hedonism Online. *Journal of Interactive Marketing* 26(1): 53–67.
- Schewe CD and Meredith G (2004) Segmenting global markets by generational cohorts: determining motivations by age. *Journal of Consumer Behaviour: International Research Review* 4(1): 51–63.
- Schwartz SH (1992) Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries. *Advances in Experimental Social Psychology* 25: 1–65.
- Schwartz SH (2012) *An overview of the Schwartz theory of basic values*. Online Readings in Psychology and Culture 2(1): 2307–0919.
- Shankar V, Kalyanam K, Setia P, Golmohammadi A, Tirunillai S, Douglass T, Hennessy J, Bull JS and Waddoups R (2021) How technology is changing retail. *Journal of Retailing* 97(1): 13–27.
- Sheth JN (2011) Impact of emerging markets on marketing: Rethinking existing perspectives and practices. *Journal of Marketing* 75(4): 166–182.
- Shimp TA and Sharma S (1987) Consumer ethnocentrism: Construction and validation of the CETSCALE. *Journal of Marketing Research* 24(3): 280–289.
- Siamagka NT and Balabanis G (2015) Revisiting consumer ethnocentrism: Review, reconceptualization, and empirical testing. *Journal of International Marketing* 23(3): 66–86.
- Sinha M and Sheth J (2018) Growing the pie in emerging markets: Marketing strategies for increasing the ratio of non-users to users. *Journal of Business Research* 86(May): 217–224.

- Soares RR, Zhang TTC, Proença JF and Kandampully J (2017) Why are Generation Y consumers the most likely to complain and repurchase? *Journal of Service Management* 28(2): 520–540.
- Srinivasan SS, Anderson R and Ponnarolu K (2002) Customer loyalty in e-commerce: An exploration of its antecedents and consequences. *Journal of Retailing* 78(1): 41–50.
- Standage T (2021) The world ahead 2022. *The Economist*. Available at: <https://rights.economist.com/the-world-ahead/> (accessed 12 December 2022).
- Stathopoulou A and Balabanis G (2019) The effect of cultural value orientation on consumers' perceptions of luxury value and proclivity for luxury consumption. *Journal of Business Research* 102: 298–312.
- Statista (2019a) eCommerce. Available at: <https://www.statista.com/> (accessed 8 January 2019).
- Statista (2019b) Consumer Spending on Buying Products Online in Selected European Countries from 2018 to 2019. Available at: <https://www.statista.com/statistics/955525/e-commerce-spending-in-europe-by-country/> (accessed 14 January 2021).
- Statista (2022a) Cross-border e-commerce as share of total e-commerce worldwide in 2016 and 2022. Available at: <https://www.statista.com/statistics/867991/cross-border-e-commerce-share-world/> (accessed 21 November 2022).
- Statista (2022b) Penetration Rate of the Internet by Region. Available at: <https://www.statista.com/statistics/269329/penetration-rate-of-the-internet-by-region/> (accessed 26 June 2022).
- Statista (2022c) Cross-border e-commerce as share of total e-commerce worldwide in 2016 and 2022. Available at: <https://www.statista.com/statistics/867991/cross-border-e-commerce-share-world/> (accessed 26 October 2022).
- Statista (2022d) Projected distribution of the world's population from 2022 to 2100, by age group. Available at: <https://www.statista.com/statistics/672546/projected-world-population-distribution-by-age-group/> (accessed 21 November 2022).
- Statista (2022e) Primary shopping methods used among consumers worldwide in 2021, by generation. Available at: <https://www.statista.com/statistics/1288182/shopping-methods-by-age/> (accessed 5 December 2022).
- Statista (2022f) E-Commerce: Statistics facts. Available at: [https://www.statista.com/topics/871/online-shopping/#topicHeader\\_\\_wrapper](https://www.statista.com/topics/871/online-shopping/#topicHeader__wrapper) (accessed 8 December 2022).
- Steenkamp JBE (2019) Global versus local consumer culture: Theory, measurement, and future research directions. *Journal of International Marketing* 27(1): 1–19.

- Steenkamp JBE and Baumgartner H (1998) Assessing measurement invariance in cross-national consumer research. *Journal of Consumer Research* 25(1): 78–107.
- Steenkamp JBE and De Jong MG (2010) A global investigation into the constellation of consumer attitudes toward global and local products. *Journal of Marketing* 74(6): 18–40.
- Steenkamp JBE, Ter Hofstede F and Wedel M (1999) A cross-national investigation into the individual and national cultural antecedents of consumer innovativeness. *Journal of Marketing* 63(2): 55–69.
- Stoian MC, Rialp J and Dimitratos P (2017) SME Networks and International Performance: Unveiling the Significance of Foreign Market Entry Mode. *Journal of Small Business Management* 55(1): 128–148.
- Strauss W and Howe N (1991) *Generations: The History of America's Future, 1584 to 2069*. William Morrow Company.
- Sustainability for All (2022) Responsible consumption and the benefits of local consumption. [https://www.activesustainability.com/sustainable-life/responsible-consumption-benefits-local-consumption/?\\_adin=02021864894](https://www.activesustainability.com/sustainable-life/responsible-consumption-benefits-local-consumption/?_adin=02021864894) (accessed 18 October 2022).
- Swoboda B and Sinning C (2022) Effects of Internationalization Rhythm and Speed on E-Commerce Firms' Growth and the Role of Institutional Distances. *Management International Review* 62(2): 169–201.
- Taiminen HM and Karjaluoto H (2015) The usage of digital marketing channels in SMEs. *Journal of Small Business and Enterprise Development* 22(4): 633–651.
- Tenzer H, Pudielko M and Harzing AW (2014) The Impact of Language Barriers on Trust Formation in Multinational Teams. *Journal of International Business Studies* 45(5): 508–535.
- Teo TS and Liu J (2007) Consumer trust in e-commerce in the United States, Singapore and China. *Omega* 35(1): 22–38.
- The World Bank (2019) Data. Available at: <https://data.worldbank.org/> (accessed 8 January 2019).
- Tyson A, Kennedy B and Funk C (2019) Gen Z, millennials stand out for climate change activism, social media engagement with issue. Pew Research Center. <https://www.pewresearch.org/science/2021/05/26/gen-z-millennials-stand-out-for-climate-change-activism-social-media-engagement-with-issue/> (accessed 18 October 2022).
- Usunier J-C, Van Herk H and Lee JA (2017) *International and Cross-Cultural Business Research*. London: Sage.

- Van Raaij WF and Verhallen TM (1994) Domain-specific market segmentation. *European Journal of Marketing* 28(10): 49–66.
- Vantage Market Research (2022) Global cross-border b2c e-commerce market size is predicted to hit around USD 3,042.2 million by 2028 with a registered CAGR of 25.1% from 2022 to 2028. Available at: <https://www.globenewswire.com/en/news-release/2022/09/20/2519468/0/en/Global-Cross-Border-B2C-E-Commerce-Market-Size-is-Predicted-to-Hit-Around-USD-3-042-2-Million-by-2028-With-a-Registered-CAGR-of-25-1-from-2022-to-2028.html> (accessed 25 October 2022).
- Valarezo Á, Pérez-Amaral T, Garín-Muñoz T, García IH and López R (2018) Drivers and Barriers to Cross-Border e-Commerce: Evidence from Spanish Individual Behavior. *Telecommunications Policy* 42(6): 464–473.
- Verhagen T and Van Dolen W (2009) Online purchase intentions: A multi-channel store image perspective. *Information Management* 46(2): 77–82.
- Verhagen T, Van Dolen W and Merikivi J (2019) The Influence of In-Store Personnel on Online Store Value: An Analogical Transfer Perspective. *Psychology and Marketing* 36(3): 161–74.
- Verhagen T, Van Nes J, Feldberg F and Van Dolen W (2014) Virtual customer service agents: Using social presence and personalization to shape online service encounters. *Journal of Computer-Mediated Communication* 19(3): 529–545.
- Verlegh PWJ and Steenkamp JBEM (1999) A Review and Meta-Analysis of Country-of-Origin Research. *Journal of Economic Psychology* 20(5): 521–546.
- Vieira V, Santini FO and Araujo CF (2018) A Meta-Analytic Review of Hedonic and Utilitarian Shopping Values. *Journal of Consumer Marketing* 35(4): 426–437.
- Vita G, Lundström JR, Hertwich EG, Quist J, Ivanova D, Stadler K and Wood R (2019) The environmental impact of green consumption and sufficiency lifestyles scenarios in Europe: Connecting local sustainability visions to global consequences. *Ecological Economics* 164: 106322.
- Wang HY, Sigerson L and Cheng (2019) Digital nativity and information technology addiction: Age cohort versus individual difference approaches. *Computers in Human Behavior* 90: 1–9.
- WebExtractor System (2015) Web Data Extractor. Available at: [www.webextractor.com](http://www.webextractor.com) (accessed 1 November 2015).
- Wong N, Rindfleisch A and Burroughs JE (2003) Do reverse-worded items confound measures in crosscultural consumer research? The case of the material values scale. *Journal of Consumer Research* 30(1): 72–91.

- Yamakawa Y, Peng MW and Deeds DL (2008) What drives new ventures to internationalize from emerging to developed economies? *Entrepreneurship: Theory and Practice* 32(1): 59–82.
- Yun ZS and Good LK (2007) Developing customer loyalty from e-tail store image attributes. *Managing Service Quality: An International Journal* 17(1): 4–22.
- Zaheer A and Kamal DF (2011) Creating trust in piranha-infested waters: The confluence of buyer, supplier and host country contexts. *Journal of International Business Studies* 42: 48–55.
- Zajonc RB (1980) Feeling and Thinking: Preferences Need No Inferences. *American Psychologist* 35(2): 151–175.
- Zan HUA and Fan JX (2010) Cohort effects of household expenditures on food away from home. *Journal of Consumer Affairs* 44(1): 213–233.
- Zerbini C, Bijmolt THA, Maestriperi S and Luceri B (2022) Drivers of Consumer Adoption of E-Commerce: A Meta-Analysis. *International Journal of Research in Marketing* 39(4): 1186–1208.
- Zeugner-Roth KP (2017) Country-of-Origin Effects in *Cross Cultural Issues in Consumer Science and Consumer Psychology*, Torelli CJ and Van Herk H, eds. Cham: Springer International Publishing 111–128.
- Zeugner-Roth KP, Žabkar V and Diamantopoulos A (2015) Consumer ethnocentrism, national identity, and consumer cosmopolitanism as drivers of consumer behavior: A social identity theory perspective. *Journal of International Marketing* 23(2): 25–54.
- Zhao X, Lurch Jr GJ and Chen Q (2010) Reconsidering Baron and Kenny: Myths and Truths About Mediation Analysis. *Journal of Consumer Research* 37(2): 197–206.
- Zhu W, Mou J and Benyoucef M (2019) Exploring Purchase Intention in Cross-Border E-Commerce: A Three Stage Model. *Journal of Retailing and Consumer Services* 51: 320–333.





# Summary

This dissertation studies the drivers of retailers' business performance and consumers' purchase intentions in cross-border e-commerce. The first study in this dissertation shows how and to what extent small e-retailers can shape their marketing strategies to increase their use of digital marketing tactics and thereby improve their performance in foreign markets. More specifically, we show retailers' foreign market orientation benefits SMEs' marketing strategy. Furthermore, we find that the effects of the strategic orientations differ for small e-retailers originating from developed and emerging e-commerce markets. Small e-retailers from developed e-commerce markets benefit when they focus on growth orientation. However, e-retailers from emerging e-commerce markets should avoid focusing too much on customer orientation. This is the first study to demonstrate how small e-retailers benefit from their strategic orientation that increases the utilization of digital marketing tactics, contributing to international business performance.

The second study is the first to examine how both store value and country stereotype perceptions lead to higher trust between consumers and retailers in foreign e-stores. The results demonstrate that consumers have greater trust in foreign e-stores that sell the particular product they are looking for or when their shopping experience is perceived as enjoyable; this trust is enhanced when they have positive stereotype perceptions of the country where the foreign e-stores are located. The study further shows that consumers who had no recent purchase experience with U.S. e-stores rely more on their utilitarian shopping values and the country's stereotypical competence. In contrast, consumers with no recent purchase experience with Chinese e-stores rely more on their hedonic shopping values and the country's stereotypical warmth. After the initial purchase, the differences between the U.S. and Chinese e-stores become negligible.

The third study addresses why consumers buy from foreign e-stores when they can buy domestically across generational cohorts. To deepen our understanding, we examine three different categories of determinants: e-store characteristics, domain-specific values, and human values. This study finds that the e-store product offerings, risk perceptions, service expectations, and consumers' ethnocentrism affect their buying behaviour from foreign e-stores. We also show that the value dimension resultant self-enhancement has a positive influence, but the dimension resultant conservation negatively impacts consumers' purchase intentions in cross-border e-commerce. This is the first study to examine the effect of these three different categories of determinants and to address how these findings differ across generational cohorts. While a good impression of a foreign e-store's product offering can convince older generational

cohorts to purchase the product, younger generational cohorts are mainly convinced by their impression of the quality of service offered. Ethnocentrism can reduce purchase intentions at foreign e-stores for Baby Boomers, Gen Xers, and Millennials, but not for Gen Zers. The dimension resultant conservation has a negative influence on the purchase intentions of Baby Boomers and Gen Xers in cross-border e-commerce, while the resultant self-enhancement dimension has a positive effect within all generations.

# Acknowledgements

During the years working on my doctoral research, many people helped, supported, and inspired me. Thanks to them, I maintained my motivation and progress.

Hester, you were the first lecturer I had in the part-time marketing master's program, and you guided me in writing my thesis at the end of it. When you indicated you were open to supervising me as an external Ph.D. candidate, I didn't have to think long about it. Over the years of working on my articles, I got to know you better, and my admiration for your composure and expertise increased. You were always there for me and gave me direction; your feedback was honest, critical, and constructive, giving me new energy and focus. During the corona pandemic, I regularly drove to Berkenwoude, well prepared and slightly tense in the early years, and I always returned home cheerful and relaxed. We had good times at the congresses we attended, and you always supported me in my presentations. Your way of working together allowed me to rise above myself. You never lost sight of the human aspect of doing a Ph.D. combined with a family with growing children. I appreciate our contact and am delighted that that does not stop now that my dissertation is finished. I look forward to continuing to work with you.

Jesse, you enabled me to shape my doctoral research within your lectureship from the moment I completed my master's at the VU. You facilitated me in writing an NWO application and conducting my research to the best of my ability. Our different ways of working were undoubtedly a challenge for both of us initially. Fortunately, that did not hinder our working relationship, and we gradually learned to appreciate each other more. I am grateful to you for facilitating my Ph.D. research and look forward to working with you on new projects.

Tibert, you came on board relatively soon after the start and played an essential and significant role with your expertise. Your composure, extensive knowledge of the e-commerce literature, and years of experience supervising Ph.D. candidates helped me maintain an overview and gave me focus. Your down-to-earth view and equally critical and constructive feedback gave me the best possible guidance. You had answers to all my questions and complimented me whenever I made progress. You also had an eye for the challenging combination of work, research, and a family at home and often referred to it as playing sports at the highest level. We will continue to work together, and I look forward to that.

Working part-time on a Ph.D. in addition to teaching is, in many ways, a stimulating and demanding challenge. I have been facilitated in every way possible to make the most of my research time. Many colleagues have offered me mental support at the Vrije Universiteit and the Hogeschool van Amsterdam over the years. And at the same time, I was given opportunities during my Ph.D. track to incorporate what I had learned into my teaching. Teaching and researching were closely connected, so I never had to wonder what the pathway would accomplish. It made me a better researcher as well as a better teacher. In particular, I would like to thank Marjolein van Vlaanderen, who gave her full support as team coordinator and, later, as the department manager of the cluster I am part of. Marjolein was also always mindful of the human aspect during the years I worked on my dissertation.

Furthermore, I would especially like to thank Daphne Hagen and Suzanne de Koning, who have been there for me from beginning to end. As friends and colleagues, they stood by my side, which is a unique combination when one enters a journey that takes a substantial number of years. I discussed every high and low point with them and could do so at any time of the day. Whether it was about the content, the stress of getting the work done, or the combination of doing a Ph.d. with children growing up, I could always text and call them. And I (very) often did. They have been by my side throughout this journey, literally week in and week out, because only when we were on vacation did I not call them. From the beginning, I knew I wanted to ask them to be my paranymphs because they are inseparable from my Ph.D. They were my support and encouragement and gave luster to the process.

Finally, I also could not have done this without the support of my family. My husband, Vincent Goldman, thought it only natural that I worked on my research during vacations and weekends. Although my daughters Kira and Milla understood little of it, they enthusiastically sang a song of their own when I was awarded my grant from the NWO. They often had to reckon with the fact that I was deep in concentration while working on my research at home and therefore wasn't available for their questions and stories straight away. Thanks to my dear parents-in-law, it didn't bother them much during vacations, but they often had to miss me on Sundays or when coming home from school. Now that our children are a little older, they appreciate my efforts and the results, but they are also happy that their mother is more joyful and attentive to their needs, and rightly so.

When I chose to do this doctoral research, I knew it would take years. It was a conscious decision to start it and keep working on it as long as there was a progression. Despite the few highs and more frequent lows, I enjoyed the process and am proud of the result. I made it to the end.

***Haarlem, February 2023***







Cross-border e-commerce is flourishing worldwide and is particularly intriguing because it allows sellers and buyers to regularly cross national borders to distant and distinct countries via the Internet. Marketers need to understand the challenges retailers and consumers may face to develop effective marketing strategies, attract foreign consumers to retailers' websites, and convert their visits into actual purchases.

This dissertation contributes to the growing literature on cross-border e-commerce by examining how e-retailers can shape their marketing strategy to reach foreign consumers who may make a purchase and what drives consumers' perceptions and preferences before making that purchase. To this end, study 1 examines how and to what extent small e-retailers can shape their marketing strategies to increase their use of digital marketing tactics and thereby improve their performance in foreign markets by comparing e-retailers originating from developed and emerging e-commerce markets. Study 2 focuses on how store values and country stereotype perceptions lead to higher trust between consumers and retailers in foreign e-stores, and how this differs for European consumers shopping at U.S. and Chinese e-stores. The third study addresses why consumers buy from foreign e-stores when they can buy domestically. It examines three different categories of determinants across generational cohorts: e-store characteristics, domain-specific values, and human values.

Overall, this dissertation demonstrates the drivers of small retailers' business performance and consumers' purchase intentions in cross-border e-commerce while showing that neither e-retailers nor consumers should be considered uniform or generalizable.

