ABSTRACT

This paper is going to describe the problems of cross border ecommerce. Cross border is going to play major role in ecommerce market across border. It is very complex problems for every cross border ecommerce companies. The paper is generally trying to highlight some of the major problems that cross border ecommerce players faces.

Keywords: Cross Border; Ecommerce; Issues; Information

INTRODUCTION

Cross border ecommerce or International ecommerce is when merchants sell their products or services to consumers located in other countries and jurisdictions. Ecommerce is fastest going market, but the constrained related to transaction is a big issue internationally. The most important markets for online shoppers are United States, United Kingdom, Germany, Australia, Brazil, and China. The revenue for Cross-Border ecommerce at 2012 was 300 billion dollar. Network design plays a vital role for promoting cross border ecommerce. Traditional network design became inefficient due to complex structure of internet logistics. There is no network that can fit all origination in cross-border ecommerce. With increase ecommerce entering new market, it faces new challenges in participants of cross border delivery. Generally in this case, the consumers and the merchants would not share the same currency or even the same language. This transaction, initiated virtually is then completed by transferring the physical product through various legal jurisdictions, customs, geographies and other factors. The idea is to truly expand the target market of a merchant to its limits. The leading cross border companies has varying strategies to reach customers world widow.

OBJECTIVES

The study has the following objectives:

1. To understand the various issues relating cross border ecommerce.
2. To study the problems in international ecommerce.

Obstacles For Cross Border

Logistics- Logistics is an issue at cross border ecommerce. Consumers preferred to retailers which have reputed brand name with reliable logistics service provider. Amazon and eBay offer some restriction on items for global delivery. Logistics cost is very high and its design differs companies to companies. Cross border ecommerce logistics is about ensuring customers delivery of product at right time with presentable condition. Difficulties to deal with reverse logistics are am major issue in cross border ecommerce. There prevail inefficient operations and difficulties in managing last mile delivery to customers.
Payment Issue- Transaction is very important issue at international arena. There is no common payment mechanism at cross border ecommerce. Credit card is used a mode of payment in some countries while others it’s not. Some countries used cash on delivery payment mode. Local currency payment is popular in some countries.

Government Regulations- This regulation varies across countries. Some country may not favour cross border ecommerce. This issue is so complex that there is no common regulatory framework for cross border ecommerce. There is often a debate to regulatory issues. Framing the common regulation platform for cross border ecommerce is not possible globally.

Unreliable Transit Duration- Customer wants shorter delivery time and reliable window for cross border purchase. Duration of parcel delivery is very complex and it takes very long duration. The consumers are conscious about the quality of the product delivered in cross border purchase.

Transparency on Delivery- Real time tracking is a major problem in cross border ecommerce. Exact delivery times are not provided by delivery service provider. Delivery time for item is very long. Customers wants delivery notification, security on delivery, alternate delivery option, delivery on same day as a by cross border ecommerce companies..Cross border ecommerce fails on the quality of delivery transparency.

Government Tax- Tax is not common for every country. Business-to-consumer is subject to each country value added tax. Tax rate are different for different countries. The lack common value added tax is one of the biggest problems for online cross border ecommerce.

Fraud In Cross Border Ecommerce- Fraud is biggest problem in cross border e-commerce. Cross border e-commerce sites can’t be trusted by consumers. The virtual presence of any websites is itself a worry for customers. There is no tool to detect if the website is a fraudulent one. The quality of product shown on e-commerce sites is also a negative impact on consumers end. There may be new companies to the online platform and the structure of its offerings can cheat consumers since it’s a new one. Fraud exists in much form at online business.

Consumer Protection- Legal system for regulatory framework is differs from country to country. In case of dispute, it becomes difficult for consumer to ensure rights.

Consumer protection is very important for cross border consumers. Return policy is not much favoring customers at cross border purchase of product. A 2012 study report from Digital River World Payments reported only 32% of US companies online offering local currency payments There has to be stringent measures to resolve consumer rights at cross border ecommerce.

Problems with Product or Service- The nature of e-commerce problems on cross border ecommerce are defective product/services and issues of non-conformity) and problem related to non-delivery of items.

Legal Limitations to Sale- All items for sale should follow regulatory framework of particular country. The packaging items are to follow the mandate of that country. Packaging format may be different for different country.

Product Return Policy- This is one of the most serious concerns for almost all cross border ecommerce .This policy is unique for companies. Some cross border companies may not favour product return policy as it involves reverse logistics. The quality of the product received at customers end may face quality issues. In that case product return policy comes into picture.

Language, Cultural and Technical Barriers- The website offering sales in cross border ecommerce plays a key role in satisfying customers. This becomes an issue in cross border platform of ecommerce. Customers of one country can’t understand language of other country. The method in which their websites will be designed will also be an issue to customers. The websites may not be customer friendly to attract customers. A language barrier is a factor in serving customers across the ecommerce platform.
Lacks of Information- E-commerce companies are not able to provide adequate information on national laws, payment methods, logistics solutions etc. in the countries where they conduct business. There exists a corruption in international trade. Some countries have stopped doing business in other country due to corruption.

Counter Measures of Cross Border Ecommerce- Free flow of information is very critical factor in cross border ecommerce. Medium of instruction in website content is important to communicate with borderless consumers. Cross border business in increasingly very fast and it faces hurdles in policy, security, trade facilitation, and resource. These hurdles can be overcome by launching a trade called ‘Aid for eTrade’. This builds a mechanized system to do business smoothly. There should be a mechanized system to resolve disputes on the online business. Payment has to be highly secured and ecommerce companies should provide option to accept transaction currency of all countries. The information infrastructure is highly important and it needs a standardization of electronic security. There has to be a e-commerce consumer protection legal framework applicable all over the universe. The logistics management or parcel provider across cross border has to be efficient to deliver items without delay. Transparency on delivery and easy to arrange return process are also applicable in cross border ecommerce. Government has important role to play in ecommerce and has to formulate policies on cross border ecommerce strategies.

CONCLUSION
Ecommerce opens immense opportunities for countries to engage in trade, expand their sales, and reduce the cost of their purchases. This paper proposes some of the measures to overcome the challenges encounters at cross border business. Cross border ecommerce is a window for ecommerce companies to explore the opportunities to sell their product to foreign customers. There will be many issues more in the coming cross border ecommerce platform.

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