Analyzing the Marketing Strategy of Chinese Cross-border E-commerce from the Perspective of Chinese-American Cultural Differences

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Abstract. This study provides a comprehensive analysis of the impact of Chinese-American cultural differences on cross-border e-commerce marketing strategies. Emphasizing the profound influence of cultural dimensions, such as individualism in the U.S. and collectivism in China, on consumer behavior, the research highlights how these cultural frameworks shape online shopping preferences and engagement. Through a detailed examination of consumer behaviors, including the Chinese preference for extensive product descriptions and mobile payments and the American tendency towards succinct information and credit card usage, the paper advocates for the integration of cultural insights into marketing strategies to enhance market penetration and customer satisfaction in cross-border e-commerce. Moreover, it addresses the challenges and opportunities posed by the digital commerce landscape's rapid evolution, advocating for adaptive strategies that can navigate cultural complexities. The significance of this research lies in its contribution to understanding the pivotal role of cultural awareness in crafting effective marketing strategies for cross-border e-commerce platforms. Recognizing the limitations of focusing primarily on two distinct cultural perspectives, this study calls for future research to broaden the cultural scope and adapt to emerging digital commerce trends, aiming for a more inclusive global e-commerce strategy.

Keywords: Marketing, Cross-Border Electronic Commerce, cultural difference, consumer behavior.

1. Introduction

In the age of the Internet, e-commerce is at a pivotal point in the business. When residents all over the world went through the epidemic, which devastated the real economy, e-commerce flourished, and more and more people joined it, either as buyers or sellers. In 2024, there are over 5.3 billion internet users globally, which means that more than 65% of the world's population has access to the internet. E-commerce allows businesses to quickly gather rich market information, accurately grasp market demand, effectively shorten product production cycles, minimize the intermediary steps in business transactions, and reduce transaction costs, thereby enhancing their competitiveness in the market. Specifically, compared to traditional commerce, e-commerce has unparalleled advantages. Due to the unique conditions of different countries, such as the number of laborers and factories, the origin of raw materials, and production technology, the same product can be sold at different prices. Additionally, consumers can also purchase goods that are not produced or are rarely produced in their own countries. In summary, with the advancement of technology, cross-border e-commerce, breaking through traditional models, can greatly improve transaction efficiency. However, managing cross-border e-commerce is not an easy task. People from different countries have diverse aesthetics, consumption views, and languages. Cultural differences lead to an apparent increase in the uncertainties of a foreign consumer’s decision-making process of whether to purchase, ultimately resulting in an unsatisfactory sales consequence.

Currently, the academic community internationally has conducted comprehensive research on the development of cross-border e-commerce, exploring the operational models and consumer acceptance of cross-border e-commerce, and studying the factors that restrict the development of cross-border e-commerce in later stages, as well as the measures to overcome these challenges. As illustrated in Figure 1, the growth momentum of cross-border e-commerce is strong and has been on an upward trend, even potentially reaching an impressive scale of $850 million by 2026. Therefore,

it's increasingly important to study the various factors that can influence its development. However, research related to cross-border e-commerce enterprises focuses on discussions from external perspectives, such as the current development status and existing problems of cross-border e-commerce. There is scant research combining consumer behavior and cultural differences to explore how cross-border e-commerce serves as a bridge to open up foreign markets. This article will compare the different consumer behaviors of Chinese and American consumers against the backdrop of cultural differences. The essay also aims to study the impact of cultural differences between two distinct countries, the US and China, on cross-border e-commerce. According to the influence, this article would give some marketing strategies which associated with current affairs and classic marketing theories. This article first examines the differences in consumer behavior between China and the US through literature research, as well as the cultural factors behind these differences. Based on the literature and data, this article proposes marketing strategies suitable for Chinese cross-border e-commerce to better adapt to the US market.

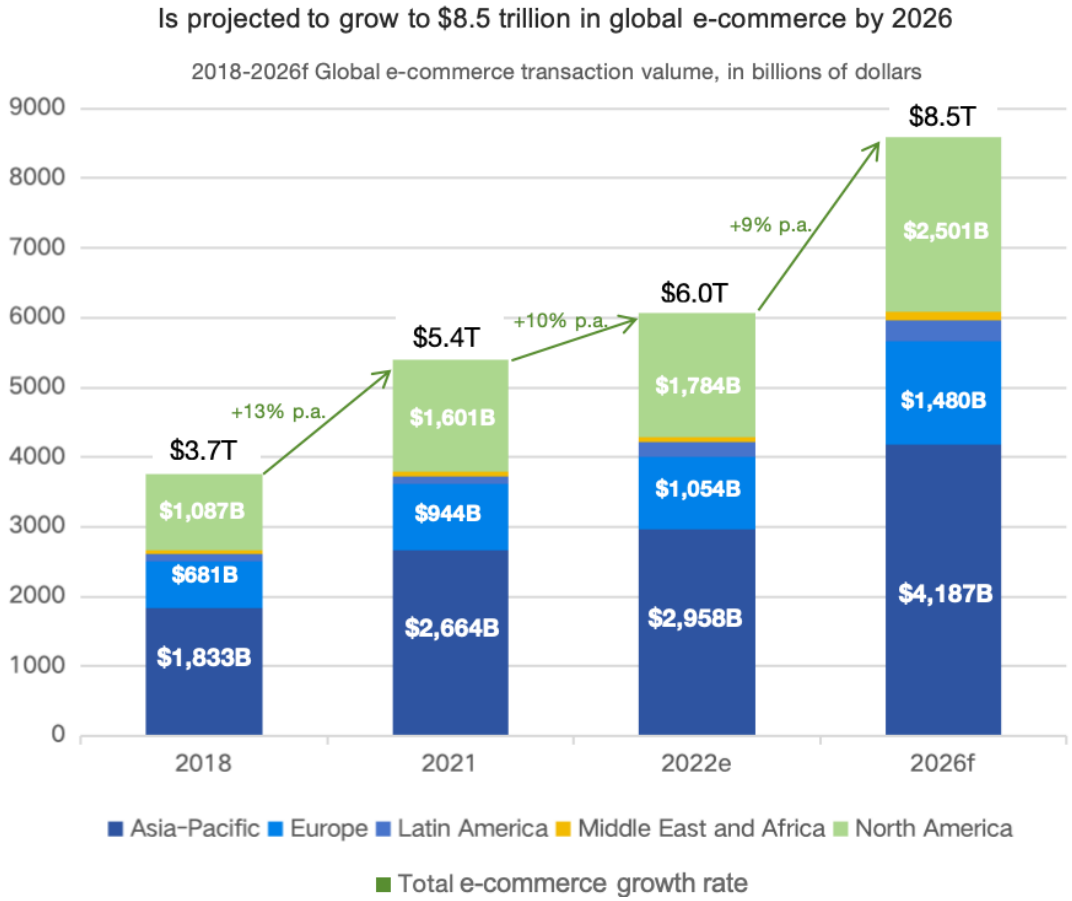


Fig. 1 From WorldPayFIS 2023 Global Payments Report

2. Analysis of Cultural Differences between China and America on Cross-border E-commerce

2.1. Characteristics of Consumer Behavior Under the Influence of Chinese Culture

Chinese consumers are accustomed to viewing longer shopping website pages, nearly ten times longer than those in Western countries. According to an investigation, including France, the United States, and other eight surveyed countries, the product pages on Chinese shopping websites are ten times longer than those in Europe, resulting in longer webpage loading times.

Chinese consumers tend to spend more time contemplating before placing an order, almost 20% more than their counterparts in Western cultures. As previously mentioned, Chinese consumers spend more time understanding the basic information of products [1]. They also consider whether the

product will be used for a long time after purchase, which one among similar products offers the best value for money, and whether the transaction is worthwhile. Culturally ingrained, Chinese people prefer to make appropriate decisions after careful consideration.

Chinese consumers pay special attention to other users' reviews and feedback before making a purchase. This aligns well with the Chinese proverb "Be kind and follow the flow," reflecting that in addition to initially understanding the basic information about a product, Chinese consumers may compare prices and consumer reviews across multiple platforms before making a purchase. Most Chinese e-commerce websites feature a prominent area for buyer reviews and offer the option to upload photos. This reflects that Chinese consumers value the feedback of other consumers before buying something. The opinions of others play a significant role in influencing the shopping intentions of Chinese consumers. This is because China leans towards a collectivist culture, valuing the overall thoughts of the group.

A segment of Chinese consumers has embraced shopping via social media and live streaming, marking a distinctive trend in China's e-commerce landscape. Unlike the static images found on traditional online shopping platforms, live streaming offers a more dynamic, authentic, and interactive experience. It enables consumers to view products from multiple angles in real-time, accompanied by the host's live commentary and emotional responses, alongside instant audience feedback. This immersive approach lends a higher degree of authenticity to the products showcased, surpassing the trust level elicited by mere photographs and brief videos [2]. Live streaming in China enhances e-commerce with real-time, personalized interaction, allowing hosts to respond promptly to audience inquiries and preferences, thereby enriching the shopping experience. Coupled with this, the prevalence of mobile payments among Chinese consumers, supported by platforms like Alipay and WeChat Pay, revolutionizes transactions. This adoption simplifies purchases, dining, and services, seamlessly merging with social media and e-commerce, enabling secure, convenient transactions with just a few smartphone taps [3].

2.2. Characteristics of Consumer Behavior Under the Influence of American Culture

American consumers prefer shopping websites with a clean interface and ample search space, featuring intuitive search functions and well-organized categories for quick product location. This style reflects their appreciation for efficiency and convenience in shopping, minimizing dazzling and excessive product information for rapid comparison and decision-making.

American consumers appreciate clear and concise communication, especially when it comes to online shopping. They favor product descriptions that are to the point and free of unnecessary jargon, which allows them to quickly grasp the essential features and benefits of the products they are interested in. This desire for straightforwardness also applies to the overall website experience, where they expect an intuitive interface and information that is accessible without having to navigate through layers of complexity. In a culture that values time and directness, American consumers often decide swiftly when presented with information that is easy to understand and digest. Brands that cater to this preference by providing transparent, detailed, and yet succinct product information are more likely to capture the attention and loyalty of the American market. They understand that in the digital age, the clarity of a product's value proposition can be just as influential as the quality of the product itself.

In the United States, a substantial portion of the consumer population holds religious beliefs, which are often intertwined with cultural practices. Recognizing this, e-commerce platforms meticulously align their sales strategies with prominent holidays such as Black Friday, Thanksgiving, and Christmas, tapping into the spirit of festivity and generosity. During these periods, consumers are not only more inclined to make purchases as part of the celebration but also seek meaningful gifts for loved ones, capitalizing on the substantial discounts and exclusive offers. This creates a surge in shopping activity, with many Americans planning their major purchases around these holiday sales. As a result, these holidays have evolved into peak retail seasons, with businesses planning months to

launch well-crafted campaigns that resonate with the sentiments and values of the season, ensuring they address the expectations and beliefs of their customer base.

American consumers also focus on comparing prices across multiple platforms. Pursuing high cost-effectiveness is a goal common to consumers in every country, but people are not solely focused on the lowest price; quality is also a major concern. Consumers quickly review product information and prices, thereby making decisions swiftly. When purchasing for the first time, a substantial majority of Americans emphasize the importance of comparing prices from various vendors (86%), having the ability to pose questions regarding their intended purchases (84%), and opting to buy from vendors with whom they are already acquainted (84%). Moreover, over seventy percent value the opportunity to personally test the product (78%), receive recommendations from acquaintances (77%), or access online reviews penned by previous buyers (74%). Additionally, nearly half (45%) of Americans have utilized their smartphones within brick-and-mortar stores to consult online reviews or seek more favorable prices on the web for products of interest [4].

American consumers exhibit a distinct preference for credit card payments over mobile payments, a trend deeply rooted in the country's longstanding credit system. Credit cards not only offer convenience and security but also provide benefits such as reward points, cashback, and fraud protection, which are highly valued. This preference is reflective of the established infrastructure and widespread acceptance of credit cards in both online and offline transactions. While mobile payments are gaining traction, especially among younger demographics, the robust rewards programs and the sense of security offered by credit cards continue to hold sway. Consequently, many Americans opt for credit cards as their primary mode of payment, leveraging the advantages it offers in managing finances and maximizing returns on expenditures.

2.3. Analysis of the impact of China-American Cultural Differences on cross-order E-commerce

Cultural factors critically influence consumer trust and security in e-commerce, shaped by principles like individualism and collectivism. These differences affect willingness to share personal information and engage in online transactions. Understanding cultural nuances enables companies to build trust and strengthen security. Additionally, cultural dimensions such as collectivism impact how consumers respond to social influence, including online reviews and social media recommendations. Recognizing these variations helps companies tailor their marketing strategies to harness social influence effectively [5].

International commerce expands marketing across diverse ethnicities and regions, incorporating varied cultural insights into strategic planning. Recognizing and adapting to cultural differences is crucial, requiring a reevaluation of traditional marketing approaches. This necessitates deep cultural research and understanding of consumer behavior to develop strategies that resonate more effectively with the target audience, enhancing connection and engagement. Addressing cultural disparities, including language and value systems, is essential to avoid misunderstandings and foster market entry [6]. Successfully integrating cultural variances into marketing strategies is key to gaining a competitive edge, achieving higher market penetration, and building brand loyalty globally. Thus, the capacity to adeptly navigate these cultural nuances significantly boosts a company's success in international markets.

The cultural attributes of a product significantly impact consumer purchase decisions. Alignment with the target audience's cultural values fosters a deep connection, resonating personally and evoking pride and belonging. This congruence enhances the product's esteem and encourages positive word-of-mouth, boosting its reputation. Strategically aligning with cultural values not only amplifies the product's appeal but also strengthens the brand image, making it more relatable and desirable to the intended demographic. This cultural synergy is crucial for elevating the product's market standing and fostering consumer loyalty [7]. Infusing a product with cultural relevance significantly impacts consumer interest, encouraging purchases when it mirrors their cultural values. This alignment deepens connections, fostering a sense of identity and belonging among consumers. Such a strategy

not only enhances the product's appeal but also its prestige within its market. By effectively resonating with the cultural identity of its audience, a product transcends its commodity status, becoming a symbol of the consumer's heritage and values, thereby elevating its market standing and appeal through this cultural synergy [8].

When diverse cultures are categorized into high-context and low-context cultures, applying the differences in cultural values to the analysis of cross-cultural websites, based on the above research, reveals that consumers show a stronger purchasing intention for websites whose content is more closely aligned with their local culture [9]. The advantages of a product are not only reflected in its superior quality but also rely on extensive market environment analysis and consumer psychology analysis. Cultural factors constitute an important element of the market environment and have a deep impact on consumer psychology. The widespread adoption of marketing activities in the international economic and social spheres is primarily based on the advantages of cultural factors. This clearly defines that to make transnational marketing planning effective, the first step is to overcome the significant barrier of cultural differences. The basic threshold for cross-cultural enterprises is to possess a solid foundation in cross-cultural management [10]. Besides the stark differences between the two writing systems, the inherent cultural differences between China and the United States pose significant challenges for cross-border e-commerce aiming to enter the U.S. market. For example, many Chinese products are produced in red, believing it to symbolize good fortune, but American consumers do not have a preference for red; Chinese products do not shy away from the number 13, whereas it is considered unlucky in American culture; American culture emphasizes individualism, freedom, and personal rights, with a direct manner of communication. In contrast, Chinese culture values collectivism, where individual interests are subordinate to the group, and communication is more indirect. Despite the vast differences between Chinese and American cultures, each culture should respect each other, especially in the context of marketing.

3. Current Station of Chinese Cross-border E-commerce in the American Market

China's cross-border e-commerce landscape has experienced remarkable growth, notably in its engagements with the U.S. market. Holding the title of the world's most extensive e-commerce market, China accounts for nearly half of the global transactions. In 2020, the volume of online retail sales in China hit $2.29 trillion, with forecasts predicting a rise to $3.56 trillion by 2024. Impressively, in 2021, China's e-commerce revenue exceeded that of the United States, reaching $1.5 trillion [11].

Leading Chinese e-commerce entities, including Alibaba's Taobao and Tmall, JD.com, and Pinduoduo, have solidified their dominance within the domestic sphere. These entities are also enhancing their global presence through strategic acquisitions and partnerships, thus opening up wider markets and opportunities for Chinese merchants [12]. For example, Alibaba has developed cross-border e-commerce platforms in various countries and regions, JD.com has launched overseas branches that offer extensive logistics and after-sales support, and Pinduoduo has forged international brands and supply chains through collaborative efforts.

The United States is a key export market for Chinese cross-border e-commerce due to its large market and growth potential. The COVID-19 pandemic has accelerated digital trade, opening new opportunities for China's B2B e-commerce. In response, China has launched over 100 pilot zones for cross-border e-commerce, offering tax benefits and simplified customs to boost trade efficiency. These measures enhance international transactions and bolster China's global e-commerce standing, promoting a better environment for cross-border commerce.

China's growing e-commerce sector not only reinforces its role as a global e-commerce leader but also highlights the competitive edge of Chinese companies internationally. As it shifts towards high-quality growth, China's influence in global e-commerce is set to increase, offering worldwide consumers access to a wider range of high-quality products and services. This expansion is expected

to invigorate global economic growth, creating a more dynamic and enriched global market through China's innovative offerings.

4. Cross-Border Marketing Suggestions Based on Cultural Differences

For addressing cultural differences in cross-border e-commerce between China and the U.S., adopting detailed strategies is especially crucial. These strategies include developing localized marketing strategies that reflect the cultural preferences and values of each target market, providing cultural education to teams, and actively hiring local employees to improve services, facilitating communication and understanding with consumers and partners. Moreover, offering customized products to meet the specific needs of different cultural groups, providing multilingual customer service and marketing materials to effectively overcome language barriers, leveraging local influencers to enhance brand credibility and relatability, and establishing feedback mechanisms to collect and analyze feedback from various customer groups continuously refine strategies. These meticulous steps help overcome the challenges brought by cultural differences, enhancing engagement and success rates in cross-border e-commerce.

5. Conclusion

This paper explores the intricate cultural nuances between China and the United States within the context of cross-border e-commerce, shedding light on the consequential marketing strategies that arise from these cultural variances. Our analysis delves into how the divergent cultural orientations—collectivism in China versus individualism in the U.S.—profoundly shape consumer preferences and digital engagement strategies in each country. The study reveals that cultural compatibility significantly influences consumer behavior, necessitating the adoption of culturally attuned marketing approaches to ensure market success and customer satisfaction in cross-border e-commerce ventures.

This research highlights the critical importance of embedding a deep understanding of cultural differences into the fabric of marketing strategies. Such integration not only facilitates smoother cross-border transactions but also enhances the overall online shopping experience, leading to higher consumer satisfaction rates and fostering a more conducive environment for international e-commerce growth. This article also provides several suggestions for cross-border marketing against the backdrop of cultural differences. However, the scope of this study is limited to examining the cultural dynamics between only two countries, amidst a backdrop of a rapidly evolving digital commerce landscape. This limitation underscores the need for further research that encompasses a broader array of cultural contexts, potentially offering richer insights into global consumer behavior and more nuanced marketing strategies. Future investigations should aim to adapt to and anticipate emerging trends in digital commerce, thereby enriching our comprehension of global market dynamics and contributing to the development of more effective cross-cultural marketing methodologies. By pushing the boundaries of current understanding and exploring uncharted territories in cross-cultural e-commerce research, future studies have the potential to significantly enhance the efficacy of international marketing strategies. This endeavor is academically rewarding and practically beneficial, providing invaluable insights for businesses looking to thrive in the global e-commerce arena.

This expanded conclusion aims to encapsulate the essence of the research findings, their significance, inherent limitations, and a forward-looking perspective on future research avenues in the realm of cross-border e-commerce between China and the United States.

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